

**FAIRCHILD'S
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APPAREL
FINANCIAL
DIRECTORY
1989/1990**

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Editor's Note: In order to present a clearer picture of a company's involvement in the Textile & Apparel fields, we have, in some cases, included only those divisions and subsidiaries related to Textiles & Apparel.

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CURRENT TRENDS

During the period from 1982 through 1988, the value of textile mill products, as expressed in constant 1982 dollars, advanced by 16.2% or an average of 2.7% per annum. During the same period domestic apparel shipments moved up by 6.5% or at a 1.1% annual rate. By contrast, personal consumption expenditures for apparel at retail advanced each year to total 29% for an annual gain of 4.8%. A major reason for the sharp difference between the two indexes was caused by imports. The slightly better performance of the textile mill products index can be explained by the fact that the mills have been concentrating on home furnishings fabrics, a sector which has not been as deeply penetrated by imports.

Within the Textile/Apparel complex, producers of manmade fibers have outperformed the industry as a whole. The value of shipments, in current dollars, advanced 4.3% per annum, while the value of shipments of domestic apparel advanced by 2.1% (in current dollars) on average from 1982 to 1988.

The textile mill products industry has made major investments in new capital equipment with important results in productivity improvements, averaging 5.6% per year for the 1976-1985 period. Apparel producers also improved productivity, but at a lower—2.7% per annum-rate. This compares with an increase in productivity of 2.7% per annum for all manufacturing.

During the 1982-1988 period, the number of spindles and looms decreased each year but output increased substantially, as more productive equipment was installed. The textile mill products industry is primarily located in the Southeastern states, a situation which has not changed since 1955. While the largest apparel producing states continue to be New York and California, a growing portion of the production has been moving to the South. Although the original impetus for the relocation of the textile and apparel industries to the South was lower wage rates, Bureau of Labor studies show that today there is no significant difference in Southern wage rates as compared with other sections of the U.S. Thus the desirability of the South as an area for textile and apparel production is today based on a trained labor force and the supporting infrastructure.

Studies made by the United States International Trade Commission on the competitive situation between the United States and the leading exporting countries show that strong economic advantages favor the exporters. This particularly applies to Mainland China, Korea, Taiwan and Italy. Hong Kong is considered to have peaked as an exporter and Japan has hardly been competitive for years. The dependence of the Asiatic countries, especially Mainland China, on textile and apparel exports is very great and it is likely that imports will grow. A disturbing aspect of the international competitive situation is the fact that the United States is no longer an important producer of textile machinery. The bulk of the new equipment comes from Europe and Japan.

During the years 1986-1988, there were major upheavals involving industry concentration. In the area of manmade fiber production, the Hoechst-Celanese merger took place; American Enka was absorbed into BASF; and, Eastman Chemical greatly reduced its polyester capacity. In textile manufacturing, Burlington and Stevens disappeared as publicly owned companies. West Point/Pepperell was taken over by Fruit-of-the-Loom with the likelihood that certain divisions will be sold to retire debt. In apparel manufacturing, too, major apparel conglomerates have disappeared or been reorganized.

Operating results and the profitability of textile/apparel companies have also been affected by major changes. In the manmade fiber sector, reductions in capacity have resulted in improved profits. Textile mill profits have also held up reasonably well, despite imports. One favorable development has been a substantial increase in yardage going into 807 programs. In addition, leading mills have been concentrating on home furnishings textiles which have been less affected by imports. Apparel manufacturing is a mixed situation as to profits. Many of the largest companies are sourcing much of their production off-shore so that the industry is assuming an international character.

The outlook for fiber consumption is hard to forecast because of changing price relationships between cotton, polyester and wool. A large cotton carryover and declining world prices increases the possibility that the domestic price of cotton will be lowered in the future. Polyester prices have moved up because of rising costs for intermediates and a shortage of capacity. In early 1989, polyester staple is well above cotton and the spread may widen. Wool prices have been at a historically high level, causing many wool system mills to produce more poly/wool blends. Price instability by itself presents problems for mills because of the increased risk of losses on inventories.

Within the textile mill industry, the production of spun yarns has been growing since 1982 because of growth in consumption of circular knit fabrics. On the other hand, textured yarn production has been a problem area because of the unpopularity of double-knits.

Production levels in most sectors of the textile mill and fiber industries have been at or near capacity. In both mill and manmade fiber production, capacity utilization has been in the 90% range for the 1986 to 1988 period. Apparel manufacturing has been the only weak sector. The production level in 1988 was only 6.2% over 1984. Dyeing and finishing have also been flat or down. Circular knit textiles have been quite strong during the 1982 to 1987 period, with poundage produced up by 30.5%. Nonwovens have also made substantial progress with total volume now approaching the two billion dollar mark.

Producer prices of most textile and apparel products have advanced by only small amounts, averaging an increase of only 7% over 1982. The reason has been competition from imports. However, the import price index has moved up sharply, narrowing the spread between imports and domestic production. This reflects the decline in the value of the dollar.

THE TEXTILE & APPAREL INDUSTRIES: TRENDS AND FORECASTS

(In millions of dollars except as noted)

	1988(e)	1987(e)	1986	1985	% Change* 1981/86
Textile mill products industry					
Value of shipments (current \$)	\$59,808	\$57,674	\$55,349	\$53,276	2.0%
Value of shipments (current \$)	55,215	54,560	52,907	51,214	0.09
Total employment (000)	670	664	644	658	-3.8
Production workers (000)	579	574	555	565	-3.9
Apparel & Allied Products					
Value of shipments (current \$)	\$63,258	\$60,942	\$57,918	\$56,993	3.1%
Value of shipments (1982 \$)	56,867	56,361	54,681	54,550	0.9
Total employment (000)	1,048	1,045	1,016	1,059	-4.1
Production workers (000)	889	886	862	904	-4.4

(e) estimated

*Percent change compounded annually.

Source: U.S. Department of Commerce, International Trade Administration: 1989 U.S. Industrial Outlook.

Reported Industry Segments	Value of Industry Shipments: Percent Change (Constant 1982 \$)			
	Compound Annual Change		Annual Change	
	1972-86	1981-86	1986/87(e)	1987/88(e)
Textile industry*	0.4%	-0.9%	-3.1%	1.2%
Manmade fibers				
Cellulosic	-1.4	-6.4	7.3	1.2
Noncellulosic (organic)	4.2	1.3	7.3	1.2
Yarn mills, except wool	1.5	4.4	7.6	—
Wool yarn mills	-3.7	1.8	-5.9	—
Knit fabric mills	-1.5	-2.3	4.6	-5.0
Weaving mills, total	0.2	-1.3	4.3	1.4
Cotton fabrics	-2.9	-2.8	4.0	-4.4
Manmade fabrics	1.9	-0.7	4.4	4.0
Wool fabrics (incl. finishing)	0.1	-1.6	5.0	-4.0
Apparel & other textile products	0.7	0.9	3.1	0.9
Men's & boys' wear	-1.2	-1.3	—	—
Suits & coats	-3.2	-1.7	-0.1	-0.4
Shirts/nightwear	-0.8	-1.6	5.6	1.2
Trousers	-3.3	-2.3	—	—
Work clothes	1.5	-0.2	3.2	1.5
Women's, misses' outerwear	1.4	0.4	—	—
Blouses	2.9	0.5	-3.2	1.1
Dresses	-0.3	2.4	-2.2	-0.6
Suits, coats	3.1	-1.2	—	—
Children's, infants' outerwear	0.5	1.2	-1.7	1.8
Dresses, blouses	1.7	2.4	-2.2	1.9
Coats, suits	-6.2	-8.4	-2.7	0.9

(e) estimated

*Not including manmade fibers (which are classified in the Chemical Industry).

Source: U.S. Department of Commerce, International Trade Administration: 1989 U.S. Industrial Outlook.

**PRODUCTION WORKER EMPLOYMENT IN THE
FIBER/TEXTILE/APPAREL INDUSTRIES: 1985-1988**
(Annual average numbers in thousands)

	1988(p)	1987	1986(r)	1985(r)	% Change	
					1988/87	1988/85
Total	1,597.8	1,597.6	1,581.5	1,588.1	-0-	0.02%
Fibers, organic, noncellulosic*	45.3	44.7	46.2	46.9	1.3%	-3.4%
Textile mill products industry	629.6	628.8	608.4	606.5	0.1	-3.8
Industry components:						
Weaving mills, cotton	89.4	90.8	89.7	94.9	-1.5	-5.8
Weaving mills, manmade fibers	81.9	77.8	74.2	80.0	5.3	2.4
Weaving/finishing mills, wool	15.8	14.9	14.8	14.7	6.0	7.5
Narrow fabric mills	21.2	20.0	19.1	18.5	6.0	14.6
Knitting mills (incl. hosiery)	183.2	186.7	180.5	172.3	-1.9	6.3
Textile finishing, excl. wool	48.9	50.6	49.7	49.1	-3.4	-0.4
Floor covering mills	47.6	46.8	45.5	44.2	1.7	7.7
Yarn & thread mills	99.1	99.5	93.1	89.6	0.4	10.6
Miscellaneous textile goods	42.6	41.8	42.0	43.2	1.9	-1.4
Apparel & other textile products	922.9	924.3	926.9	944.7	-0.1	-2.4
Apparel	761.4	767.0	777.5	794.1	-0.7	-4.1
Home textiles, automotive & apparel trimmings	161.5	157.3	151.4	150.6	2.7	7.2

(r) revised (p) preliminary

*Employment in the manufacture of cellulosic fibers is not reported.

Source: U.S. Bureau of Labor Statistics: *Employment & Earnings*.

**PRODUCTION WORKER EMPLOYMENT IN APPAREL
& OTHER TEXTILE PRODUCT PLANTS: 1984-1986**
(Annual average numbers in thousands)

	1988(p)	1987	1986	1985	1984	% Change
						1988/84
Apparel & other textile products	922.9	934.8	941.2	948.3	981.2	- 6.0%
All apparel	762.0	776.4	790.2	798.0	848.2	—
Selected industry components:						
Men's & boys' suits & coats	50.4	49.4	52.2	55.6	65.7	-23.3
Men's & boys' furnishings	267.8	271.5	274.1	272.1	273.7	- 2.2
Women's outerwear	287.9	297.5	297.0	302.6	328.9	-12.8
Children's outerwear	47.5	48.0	53.5	51.5	52.0	- 9.2
Women's, children innerwear	58.6	50.8	63.5	64.5	70.7	-16.6
Misc. apparel, accessories	35.0	34.7	35.3	36.4	41.4	-14.8
Misc. textile products (home textiles, automotive & apparel trimmings)	160.9	158.4	151.0	150.3	133.0	21.0

(p) preliminary

Source: Bureau of Labor Statistics, U.S. Department of Labor Statistics.

PRODUCTION LEVELS IN THE FIBER/TEXTILE APPAREL COMPLEX
(Annual average indexes, 1984-1988, based on 1977 = 100)

	1988	1987	1986	1984	% Change 1988/84
All U.S. manufacturing*	142.7	134.6	129.1	123.4	15.6%
Synthetic fibers	106.2	104.3	98.5	94.1	12.9
Textile mill products	116.3	115.8	113.2	104.2	11.6
Fabrics	104.0	106.8	111.3	99.1	4.9
Cotton fabrics	120.9	129.5	130.6	101.7	18.9
Manmade fiber fabrics	92.1	93.3	101.5	99.1	-7.1
Knit goods	117.3	110.6	106.2	100.4	16.8
Hosiery	165.1	155.4	155.0	143.0	15.5
Knit apparel	103.6	97.8	92.3	88.2	17.4
Carpeting	158.2	157.1	148.7	127.4	24.2
Yarns & misc. textiles	124.8	127.1	120.2	109.8	13.7
Apparel & other textile products	109.1	107.4	103.2	102.7	6.2

Source: Board of Governors, Federal Reserve System (G.12.3-February 1989).

**AVERAGE ANNUAL CAPACITY UTILIZATION RATE: 1982-1988
FOR TEXTILE MILL PRODUCTS**

1988(p)	1987	1986	1985	1984	1983	1982
90.7%	92.0%	91.4%	84.0%	85.4%	83.2%	73.6%

(p) preliminary

Source: Board of Governors, Federal Reserve System (G.3(402)-March 1989).

SHIPMENTS IN 1988 COMPARED WITH 1987

	Percent Change		Compound Annual Change	
	1988/87	1987/86	1972-1986	1981-1986
Cellulosic manmade fibers				
Current \$	4.9%	6.0%	5.9%	-1.5%
Constant (1982 \$)	1.2	7.3	-1.4	6.4
Noncellulosic manmade fibers				
Current \$	4.8	6.0	7.2	0.2
Constant (1982 \$)	1.2	7.3	4.2	1.3
Textile mill products				
Current \$	3.7	4.2	5.0	2.0
Constant (1982 \$)	1.2	3.1	0.4	0.9
Yarn mills				
Current \$	1.3	90	6.1	3.0
Constant (1982 \$)	-6.9	7.0	1.2	4.3
Broadwoven fabric mills				
Current \$	4.8	6.6	4.9	-1.7
Constant (1982 \$)	1.2	4.5	-0.6	-2.4
Apparel & other mill products				
Current \$	3.8	5.2	5.4	3.1
Constant (1982 \$)	0.9	3.1	0.7	0.9

Source: International Trade Administration: 1989 U.S. Industrial Outlook.

PRODUCER PRICE INDEXES: DECEMBER 1988 & ANNUAL AVERAGE 1987
(1982 average = 100)

	December 1988	% Change 1988/87	Annual Average 1987
Textile products & apparel	107.0	3.3%	105.1
Selected textile/apparel items:			
Synthetic fibers	93.6	6.5	91.8
Processed yarns & threads	106.9	1.7	103.8
Gray fabrics	111.1	3.3	107.2
Finished fabrics	106.2	4.3	104.2
Broadwovens	111.6	4.4	104.8
Knits	104.2	1.3	101.9
Apparel	109.9	3.0	108.4
Women's wear	109.5	3.5	108.4
Men's & boys' wear	110.3	3.4	108.6
Girls', children's, infants'	110.1	-1.6	106.7
Home textiles	101.9	2.6	101.4

Source: U.S. Bureau of Labor Statistics: *Producer Price Indexes*.

U.S. IMPORT PRICE INDEXES FOR TEXTILE & APPAREL:
DECEMBER 1987, 1988
(Base year 1985 = 100)

	Index		% Change
	December 1988	December 1987	December 1988/87
Textiles*	120.1	118.6	1.3%
Woven cotton fabric (cif)	122.3	126.4	-3.2
Woven manmade fabric (cif)	132.9	129.6	2.5
Misc. woven fabric (cif)	118.7	115.0	3.2
Special textile fabrics			
& related products (cif)	137.3	131.1	4.7
Articles: chiefly textile	100.4	100.2	0.2
Apparel*	117.2	110.1	4.4
Selected types:			
Outerwear: men's, boys' (cif)	125.8	116.8	7.7
Outerwear: women's, girls' & infants'	112.5	106.3	5.8

(cif) cost, insurance freight. Duties are not included.

*Includes items not separately listed.

Source: U.S. Bureau of Labor Statistics: *U.S. Import & Export Price Indexes*.

CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS:
APPAREL & TEXTILE HOUSEFURNISHINGS
(1982-84 = 100)

	Index: December		% Change	Index: Annual Average		% Change
	1988	1987	1988/87	1988	1987	1988/87
Apparel commodities, excl. footwear*	116.8	111.7	4.6%	114.4	109.6	4.4%
Men's & boys'	117.3	10.7	6.0	113.4	109.1	3.8
Women's & girls'	116.5	112.6	3.5	114.9	110.4	4.1
Infants' & toddlers'	117.3	114.5	2.4	116.4	112.1	3.8
Textile housefurnishings	114.3	108.0	5.8	114.0	109.8	3.8

*Includes luggage, jewelry, watches.

Source: U.S. Bureau of Labor Statistics.

IMPORTS OF TEXTILES & APPAREL: 1978-1988
(Figures in millions of square yards or equivalents of millions of dollars)

Year	Textiles		Apparel		Total	
	Mils. of Sq. Yds.	Mils. of Dollars	Mils. of Sq. Yds.	Mils. of Dollars	Mils. of Sq. Yds.	Mils. of Dollars
1988	6,536	\$6,748	6,314	\$22,877	12,850	\$29,625
1987	7,206	6,927	6,531	21,960	13,727	28,887
1986	7,008	6,151	5,867	18,554	12,875	24,705
1985	5,677	5,274	5,117	16,056	10,794	21,330
1984	5,550	4,874	4,707	14,513	10,207	19,387
1983	3,832	3,460	3,875	10,292	7,707	13,752
1982	2,553	3,000	3,382	8,703	5,935	11,703
1981	2,639	3,250	3,136	8,008	5,775	11,258
1980	2,000	2,676	2,884	6,849	4,884	8,525
1979	1,967	2,399	3,671	6,291	4,638	8,690
1978	2,835	2,400	2,905	6,108	5,740	8,508

Source: U.S. Department of Commerce, FT-135, FT-140; SIC Classifications 65 & 85.

Table prepared by *ATMI*.

THE U.S. TEXTILE MACHINERY INDUSTRY: 1985-1989

	1989(f)	1988(e)	1987	1986	1985(r)
Industry employment, total (000)	—	17.8%	17.2%	15.8%	16.2%
Production workers	—	12.1	11.7	10.7	10.9
Product shipments (mil. \$)*					
Current \$	—	1,232	1,126	1,039	909
Constant (1982 \$)	1,027	997	950	906	825
Value of imports (mil. \$ cif)	1,771	1,476	1,116	910	663
Import/new supply ratio**	—	0.560	0.516	0.467	0.422
Value of exports (mil. \$ fas)	443	386	332	276	232

(f) forecast

(e) estimated

(cif) cost, insurance, freight

(fas) free alongside ship

*Value of machinery and equipment manufactured by all producers, regardless of industry classification.

**New supply is the sum of product shipments plus imports.

Source: U.S. Department of Commerce, International Trade Administration: 1989 *U.S. Industrial Outlook*.

THE PRECEDING TABLES AND ANALYSIS HAVE BEEN COMPILED AND PREPARED
BY THE FAIRCHILD MARKET RESEARCH DIVISION.

1988 STATISTICS FOR LEADING U.S. & CANADIAN APPAREL MANUFACTURERS

Company	Sales (000's)		% Change	Net Income (000's)		% Change	% Net Income to Sales		Pre-Tax Income (000's)		Shareholders' Equity (000's)		% Net Income to Share- holders' Equity	
	1988	1987		1988	1987		1988	1987	1988	1987	1988	1987	1988	1987
Wickes (A)	\$3,983,834	\$3,776,515	+ 5.49	(\$122,542)	\$180,511	—	—	4.78	(\$88,832)	\$65,150	\$1,107,837	\$1,236,466	—	14.60
VF Corp.	2,516,107	2,573,762	- 2.24	173,660	179,694	—	6.90	6.98	274,930	313,745	1,095,383	980,591	15.85	18.33
West Point-Pepperell (B)	2,151,075	1,703,531	+ 26.27	84,360	71,586	+ 17.84	3.92	4.20	122,448	123,938	783,898	786,294	10.76	9.19
INTERCO (C)	2,011,962	1,995,974	+ 0.80	70,150	145,003	- 51.62	3.49	7.26	15,695	198,737	(1,005,737)	1,251,337	—	11.50
Liz Claiborne†	1,184,229	1,053,324	+ 12.43	110,341	114,414	- 3.56	9.32	10.86	182,341	208,025	457,826	356,956	24.10	32.05
Hartmann	1,174,314	1,080,420	+ 8.69	38,015	41,265	- 7.88	3.24	3.82	59,895	72,045	343,934	343,934	10.60	12.00
Fruit of the Loom (D)	1,004,700	870,300	+ 15.44	(67,600)	(13,400)	—	—	—	94,600	77,500	457,600	193,100	—	—
Fuga (E)	933,633	677,145	+ 37.88	92,679	62,590	+ 48.07	9.93	9.24	127,206	71,327	399,874	308,677	23.18	20.28
Kellwood	698,156	571,861	+ 22.08	30,208	25,251	+ 19.63	4.33	4.42	44,573	38,378	164,260	157,791	18.39	16.00
Leslie Fay†	682,690	582,023	+ 17.30	22,251	19,748	+ 12.67	3.26	3.39	38,709	31,237	133,786	111,903	16.63	17.65
United Merch. & Mfrs. (F)	646,313	647,580	- 0.20	5,258	(15,251)	—	0.81	—	(19,029)	(16,119)	104,245	100,412	5.04	—
Phillips-Van Heusen (G)	641,038	500,025	+ 28.20	20,669	30,009	- 31.12	3.22	6.00	27,386	35,973	32,476	22,456	63.64	133.63
Oxford Ind.†	566,176	590,603	- 4.14	9,875	(9,754)	—	1.74	—	16,132	(19,014)	107,576	103,712	9.18	—
Russell Corp.	531,136	479,880	+ 10.68	53,765	46,334	+ 16.04	10.69	9.66	85,793	80,145	345,086	279,611	16.45	16.57
Delta Woodside (H)	488,568	417,461	+ 17.03	27,602	21,319	+ 29.47	5.65	5.11	41,452	33,986	85,957	58,763	32.11	36.28
Gitano	464,526	365,993	+ 26.92	22,977	16,866	+ 36.23	4.95	4.61	32,227	31,300	95,827	46,688	32.98	36.12
Genesco (I)	462,766	405,844	+ 14.03	15,156	11,444	+ 32.44	3.28	2.82	15,699	7,281	118,630	85,728	12.78	13.35
Crystal Brands (J)	432,465	359,814	+ 20.19	14,648	15,993	- 8.41	3.39	4.44	22,482	23,622	219,753	205,937	6.67	7.77
Salant (K)	370,610	136,272	+ 171.96	7,650	8,638	- 11.44	2.06	6.34	8,050	7,289	31,561	24,570	24.24	35.16
Gerber (L)	353,124	341,486	+ 3.41	—	—	—	—	—	—	—	—	—	—	—
Furnish	339,188	327,349	+ 3.62	(2,805)	(1,218)	—	—	—	(5,743)	(900)	74,904	73,762	—	—
Tullex†	339,129	348,692	- 2.74	21,235	28,805	- 26.28	6.26	8.76	33,084	49,935	139,145	127,681	15.26	22.56
Work Wear	268,240	261,240	+ 2.68	(3,988)	(2,927)	—	—	—	(2,443)	1,121	10,624	15,003	—	—
Ross Togs (M)	260,169	248,024	+ 4.90	2,329	9,290	- 74.93	0.90	2.75	7,733	17,306	100,105	102,391	2.33	9.07
Oakleaf B Gosh	252,994	226,298	+ 11.80	18,772	23,899	- 21.45	7.42	10.56	30,462	42,237	97,186	83,428	19.32	28.65
NIKE (N)	142,900	130,700	+ 9.33	—	—	—	—	—	—	—	—	—	—	—
Gann	133,291	108,835	+ 22.47	6,475	2,186	+ 196.20	4.86	2.01	10,444	3,916	60,047	56,692	10.78	3.86

NOTE: The criterion for inclusion in this list is that the sale of each organization be at least \$100,000,000. In some instances figures for 1987 have been restated for various reasons.

FOOTNOTES:

- () Designates a loss.
- † 53 weeks in 1988; 52 weeks in 1987.
- 52 weeks in 1988; 53 weeks in 1987.
- NA Not Available.
- ‡ Bayly Corp. is 49.9%-owned by NASCO Holdings; there is no current information available.
- Stanwood Corporation has been acquired by Delta Woodside.
- The William Carter Company has gone private; there is no current information available.
- Palm Beach Inc. has been acquired by Crystal Brands. There is no current information available for Hampton Ind.
- (A) Net income of Wickes includes discontinued operations in both years and an extraordinary loss of \$11,509,000 in 1987.
- (B) West Point-Pepperell manufactures apparel through their Chert Peabody subsidiary. Net income includes discontinued operations in both years.
- (C) Net income of INTERCO includes discontinued operations in both years.
- (D) Net income of Fruit of the Loom includes discontinued operations in 1987 and extraordinary losses of \$5,400,000 in 1988 and \$56,200,000 in 1987.
- (E) Net income of Fuga includes discontinued operations in both years.
- (F) Net income of United Merch. & Mfrs. includes discontinued operations in both years.
- (G) Net income of Phillips-Van Heusen includes discontinued operations in both years.
- (H) Delta Woodside is 43%-owned by RSI Corporation.
- (I) Net income of Genesco includes discontinued operations in 1987.
- (J) Net income of Crystal Brands includes an extraordinary gain of \$2,626,000 in 1987.
- (K) Salant Corporation acquired Manhattan Industries in August 1988. Net income includes an extraordinary gain of \$1,700,000 in 1987.
- (L) Net sales of Gerber are for the apparel division only.
- (M) Net income of Russ Togs includes discontinued operations in both years.
- (N) Net sales of NIKE are for the apparel division only.

LEADING APPAREL INDUSTRY AVERAGES

(Average)	1988	1987	% Change
Sales	\$853,086,000	\$769,665,000	+ 10.84%
Net Income	26,046,000	40,492,000	- 35.68
Pre-Tax Income	47,012,000	59,927,000	- 21.55
Shareholders' Equity	211,449,000	279,355,000	- 24.31
% Net Income to Sales	3.05	5.26	- 42.02
% Net Income to Shareholders' Equity	12.32	14.49	- 14.98

1988 STATISTICS FOR LEADING U.S. & CANADIAN FIBER & TEXTILE MANUFACTURERS

Company	Sales (000's)		% Change	Net Income (000's)		% Change	% Net Income to Sales		Pre-Tax Income (000's)		Shareholders' Equity (000's)		% Net Income to Share- holders' Equity		
	1988	1987		1988	1987		1988	1987	1988	1987	1988	1987			
du Pont (A)	\$32,917,000	\$30,468,000	+ 8.04	\$2,190,000	\$1,786,000	+ 22.62	6.65	5.86	\$3,824,000	\$3,660,000	\$15,580,000	\$14,244,000	14.06	12.54	
Monsanto	8,293,000	7,639,000	+ 8.56	591,000	436,000	+ 35.35	7.13	5.71	893,000	673,000	3,800,000	3,901,000	15.55	11.18	
Hoechst Celanese	5,679,000	4,614,000	+ 23.08	250,000	169,000	+ 47.93	4.40	3.66	541,000	378,000	3,161,000	3,103,000	7.91	5.45	
Wiles (B)	3,983,834	3,776,515	+ 5.49	(122,542)	180,511	—	4.78	4.78	(88,832)	65,130	1,107,837	1,236,466	—	14.60	
Owens-Corning (C)	2,831,000	2,891,000	- 2.08	189,000	200,000	- 5.50	6.68	6.92	301,000	343,000	(610,000)	(809,000)	—	—	
West Point-Pepperell (D)	2,151,075	1,703,531	+ 26.27	84,360	71,586	+ 17.84	3.92	4.20	122,448	123,938	783,898	876,294	10.76	9.10	
Springs Ind.	1,824,760	1,661,126	+ 9.85	52,846	55,712	- 5.14	2.90	3.35	85,181	101,547	541,608	505,025	9.76	11.03	
Dominion Tex. (E)	1,403,076	1,217,215	+ 15.27	(28,800)	63,135	—	—	5.19	7,149	66,918	545,558	562,793	—	11.22	
Federal	1,338,215	1,399,763	- 4.40	11,276	(3,658)	—	0.84	—	20,965	(8,593)	264,161	239,090	4.27	—	
United Merch. & Mfrs. (F)	646,313	647,580	- 0.20	5,258	(15,251)	—	0.81	—	(19,029)	(16,119)	104,245	100,412	5.04	—	
Dixie Varns ¹	606,423	580,504	+ 4.46	21,482	26,284	- 18.27	3.54	4.53	34,760	44,889	203,943	205,565	10.53	11.33	
Guilford Mills (G)	578,284	539,150	+ 7.26	26,712	23,913	+ 11.70	4.62	4.44	41,512	43,813	191,680	190,749	13.94	12.54	
Delta Woodside (H)	488,568	417,461	+ 17.03	27,602	21,319	+ 29.47	5.65	5.11	41,452	33,986	85,997	58,763	32.11	36.28	
Celanese Canada (I)	407,179	351,158	+ 13.95	48,904	28,356	+ 72.46	12.01	8.07	77,590	45,903	182,330	161,529	26.82	17.55	
DWG (J)	396,477	359,410	+ 10.31	—	—	—	—	—	—	—	—	—	—	—	—
Unifab	298,346	275,714	+ 8.21	24,819	12,028	+ 106.34	8.32	4.36	38,086	22,419	104,425	96,642	23.77	12.45	
Thomson Mills	184,658	187,405	- 1.47	3,653	10,591	- 46.62	1.98	5.65	4,353	16,853	68,326	65,928	5.35	16.00	
Thomson Canada (K)	106,444	149,871	+ 11.06	8,118	10,152	- 20.04	4.88	6.77	12,724	12,328	72,957	64,839	11.13	15.66	
Fab Ind.	147,592	137,684	+ 7.20	9,176	12,439	- 26.23	6.22	9.03	13,776	16,176	91,225	87,228	10.06	14.26	
Quaker Fabric (L)	83,082	105,582	- 21.31	(7,475)	1,858	—	—	1.76	(7,604)	2,109	7,197	14,446	—	12.86	—

NOTE: The criterion for inclusion in this list is that the sales of each organization be at least \$80,000,000. In some instances figures for 1987 have been restated for various reasons.

There are no current figures available for Burlington Industries. Sales for the 3-month period ending 10/3/87 are \$409,291,000 and for the 9-month period ending 6/27/87 are \$2,369,993,000. The company is an indirect, wholly-owned subsidiary of Burlington Holdings, J.P. Stevens has been acquired by West Point-Pepperell.

FOOTNOTES:

- Designates a loss.
- 53 weeks in 1988; 52 weeks in 1987.
- 52 weeks in 1988; 53 weeks in 1987.
- Not Available.
- Sales of the fabrics operations of du Pont are \$5,749,000 in 1988 and \$5,261,000 in 1987.
- Net income of Wiles includes discontinued operations in both years and an extraordinary loss of \$11,509,000 in 1987.
- Net income of Owens-Corning includes extraordinary losses of \$8,000,000 in 1988 and \$20,000,000 in 1987.
- Net income of West Point-Pepperell includes discontinued operations in both years.
- Net income of Dominion Textile includes an extraordinary gain of \$20,074,000 in 1987 and an extraordinary loss of \$38,080,000 in 1988.
- Net income of United Merchants & Mfrs. includes discontinued operations in both years.
- Net income of Guilford Mills includes an extraordinary gain of \$300,000 in 1987.
- Delta Woodside is 43%-owned by RSI Corporation.
- Celanese Canada is 56.2%-owned by Hoechst Celanese Corporation.
- Sales for DWG are for their textiles segment of revenues only.
- Net income of Consolida Canada includes extraordinary gains of \$465,000 in 1988 and \$2,884,000 in 1987.
- Net income of Quaker Fabrics includes an extraordinary gain of \$96,000 in 1987.

LEADING FIBER & TEXTILE INDUSTRY AVERAGES*

(Average)	1988	1987	% Change
Sales	\$1,658,280,000	\$1,508,088,000	+ 9.96%
Net Income†	66,410,000	72,443,000	- 8.33
Pre-Tax Income†	117,741,000	109,184,000	+ 7.84
Shareholders' Equity†	994,797,000	588,376,000	+ 1.60
% Net Income to Sales	4.00	4.80	- 16.67
% Net Income to Shareholders' Equity	11.17	12.31	- 9.26

*Excluding duPont.
†Excluding DWG.

**FAIRCHILD'S
TEXTILE &
APPAREL
FINANCIAL
DIRECTORY
1989/1990**

ACS Industries, Inc.

71 Villanova Street
Woonsocket, Rhode Island 02895
(401) 769-4700

Officers: George B. Botvin, chairman of the board & treasurer; Steven N. Buckler, president & secretary; Peter N. Botvin, v.p.; James M. Eden, v.p.-finance.

Directors: George B. Botvin, chairman; Steven N. Buckler, Peter R. Botvin, Jeffrey B. Goldstein.

Plant Location(s): Woonsocket, R.I.; Houston, Texas.

Divisions:

Fiber Operations
148 Hamlet Avenue
Woonsocket, Rhode Island 02895
Polypropylene yarns, fibers and braided cord and macramé.

Metal Wire Products
14208 Industry Road
Houston, Texas 77053
(713) 776-9373

71 Villanova Street
Woonsocket, Rhode Island 02895
Wire, knitted mesh and knitted mesh products.

Subsidiaries:

Telcor, Inc.
P. O. Box 800
Woonsocket, Rhode Island 02895
Manufacture of coil telephone cords and related products.

ACS Internacional S.A. de C.V.
Ruiz Cortines 1855 PTE
Monterrey, N.L., Mexico 64400
Manufactures communication cords and other Company products.

Transfer Agent(s):

Fleet National Bank
Providence, Rhode Island 02903

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ACSC (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1988	\$ 35,041,389	\$ (180,523)
1987	27,434,478	(146,794)
1986	23,949,174	426,855
1985	23,920,796	633,531
1984	22,047,181	150,153

	No. of Com. Shares	Earn. per Share *
1988	1,188,341	\$ —
1987	1,188,341	—
1986	1,217,866	0.35
1985	1,217,866	0.52
1984	1,217,866	0.12

(Loss)

* Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1988	1987
Wire products	\$ 17,064,000	\$ 13,788,000
Fiber products	13,419,000	11,046,000
Communication devices	4,558,000	2,600,000
Total	\$ 35,041,000	\$ 27,434,000

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 8,303,649	\$ 6.99
1987	8,484,172	7.14
1986	8,739,566	7.18
1985	8,312,711	6.83
1984	7,679,180	6.31

Income Account *

Year ended	10/29/88	10/31/87
Net sales	\$ 35,041,389	\$ 27,434,478
Cost of sales	30,056,030	23,555,811
Expenses	4,492,051	3,089,239
Plant relocation costs	—	560,000
Res. & develop.	196,341	178,192
For. exch. loss	23,434	217,567
Interest expense	539,782	5,980
Loss on dispos. of P.P. & E.	15,529	98,683
Other income	(29,245)	(63,840)
Loss before taxes	\$ (252,523)	\$ (207,154)
Tax credit	(72,000)	(60,360)
Net Loss	\$ (180,523)	\$ (146,794)

* Included in Costs and Expenses, Depreciation and Amortization: \$1,389,439 in 1988 and \$1,121,340 in 1987.

Assets

As of	10/29/88	10/31/87
Cash & cert. of deposit	\$ 180,744	\$ 153,690
Accts. receiv., net	6,479,066	4,630,707
* Inventories	4,782,791	4,327,047
Refundable income taxes	42,200	100,553
Prepaid expenses & other current assets	49,510	87,327
Current Assets	\$ 11,534,311	\$ 9,299,324
* Fixed assets	9,448,156	7,528,759
Other assets	650,117	30,331
Total Assets	\$ 21,632,584	\$ 16,858,414

Liabilities

Notes payable	\$ 1,355,000	\$ 1,200,000
Long-term debt, curr.	897,924	998,740
Accts. payable	3,798,475	2,915,826
Accruals	426,604	132,343
Accrued payroll	282,127	320,249
Income taxes	7,000	50,716
Current Liabilities	\$ 6,767,130	\$ 5,017,874
Long-term debt, curr.	5,736,075	2,453,184
Deferred inc. taxes	825,730	903,184
* Common stock	139,284	139,284
Add. paid-in capital	3,131,044	3,131,044
Retained earnings	5,546,990	5,727,513
Treasury stock	(513,669)	(513,669)
Total Liabilities & Shareholders' Equity	\$ 21,632,584	\$ 16,858,414

* At lower of cost (LIFO) or market.

* Less accumulated depreciation.

+ \$0.10 par value.

Statistical Summary

Sales to Inventories	7.33	6.34
Debt to Equity	0.96	0.48
Working Capital	\$ 4,767,181	\$ 4,281,450
Current Ratio	1.70	1.85
Shareholders' Equity	\$ 8,303,649	\$ 8,484,172

Adams-Millis Corporation

(Acquired by Sara Lee Corporation in October 1988.)

P.O. Box 2650
225 North Elm Street
High Point, North Carolina 27260
(919) 889-7071

Officers: James H. Millis, Sr., chairman of the board & chief exec. officer; Robert M. Bundy, Jr., president & chief operating officer; James H. Millis, Jr., sr. v.p.-marketing & product development; Norman Weiss, sr. v.p.-sales & merchandising; Siegfried Wallner, Jr., sr. v.p.-manufacturing; E. Dale Denny, v.p. & operations controller; K. Van Joyce, v.p.; Danny F. McNair, v.p.; Charles D. Oakes, v.p.-administrative & information services; M. Neel Harrison, sr. v.p.-finance & secretary/treasurer; M. L. Ryan, sr. v.p.-administration & human resources; N. George Harris, Jr., v.p. & controller; Edward K. Baker, v.p.-planning; Joan R. Tremlett, asst. secretary.

Directors: James H. Millis, Sr., chairman; L. Hardwick Caldwell, Jr., M. Neel Harrison, Irwin Beik, Michael L. Ryan, Thomas S. Haggar, Bland W. Worley, Robert M. Bundy, Jr., Edward Silver, J. Phillips Johnston, James H. Millis, Jr.

Business Activities: Manufacturer of a full line of hosiery sold through major chain and department stores across the country.

Trademarks and/or Brand Names: Adolfo, Alexander Julian, Bill Blass, BVD, Diane Von Furstenberg, Disney, Dunlop, Field & Stream, Hanes, Jockey, John Weitz, Lavin, Oscar de La Renta, Sweattout, Weekender, Wrangler, Yves Saint Laurent.

Plant Location(s): High Point, Kernersville, Mount Airy, Hickory, Franklinton, Archdale, Drexel, Valdese, N.C.

Divisions and Subsidiaries:

Silver Knit Industries, Inc.
401 South Hamilton Street
High Point, North Carolina 27260

Silver Knit Sales, Inc.
362 Fifth Avenue
New York, New York 10001

Adam-Millis Sales Company
350 Fifth Avenue
New York, New York 10001

Hayward Marum, Inc.
400 Manning Street
High Point, North Carolina 27260

Maro Hosiery Corporation
350 Fifth Avenue
New York, New York 10001
Manufactures and markets hosiery products.

Sales & Earnings

	Net Sales +	Net Income
1987*	\$ 198,358,000	\$ 5,961,000
1986	178,264,000	6,036,000
1985	116,292,000	5,312,000
1984	111,223,000	5,741,000
1983	82,795,000	4,811,000

No. of Com. Shares ‡

	No. of Com. Shares ‡	Earn. per Share ‡
1987*	4,688,530	\$ 1.26
1986	4,624,850	1.28
1985	4,556,090	1.15
1984	4,549,240	1.25
1983	4,545,140	1.05

* 53 weeks.

+ Of continuing operations only.

* Adjusted to reflect stock split.

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Adams-Millis Corporation

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1987	\$ 0.24	—	—
1986	0.21	—	—
1985	0.17	—	—
1984	0.14	—	—
1983	0.11	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	\$ 56,689,000	\$ 12.09
1986	51,424,000	11.12
1985	45,962,000	10.09
1984	41,393,000	9.10
1983	36,298,000	7.99

‡ Adjusted to reflect stock split.

Income Account *

Year ended	1/3/88 (53 weeks)	12/28/86
Net sales	\$ 198,358,000	\$ 178,264,000
Cost of sales	155,889,000	138,622,000
Expenses	27,728,000	24,758,000
Interest expense	4,245,000	3,462,000
Income bef. taxes	\$ 10,496,000	\$ 11,422,000
Income taxes	4,535,000	5,386,000
Net Income	\$ 5,961,000	\$ 6,036,000

* Included in Costs and Expenses. Depreciation: \$5,987,000 in 1987 and \$5,154,000 in 1986.

Assets

As of	1/3/88	12/28/86
Cash	\$ 2,903,000	\$ 3,460,000
Accts. & notes rec., net	28,187,000	32,372,000
* Inventories	32,962,000	34,332,000
Prepaid expenses & def. inc. taxes	522,000	707,000
Current Assets	\$ 64,574,000	\$ 70,871,000
‡ Fixed assets	49,121,000	48,931,000
Other assets	9,927,000	11,792,000
Total Assets	\$ 123,622,000	\$ 131,594,000

Liabilities

Long-term debt, curr.	\$ 8,335,000	\$ 8,335,000
Notes payable	2,000,000	—
Accounts payable	4,461,000	5,921,000
Accrued payroll	1,705,000	2,387,000
Accrued property taxes	463,000	653,000
Accrued pensions	831,000	121,000
Accrued interest	2,900,000	3,524,000
Income taxes	1,277,000	6,644,000
Curr. Liabilities	\$ 21,972,000	\$ 27,585,000
Long-term debt	36,133,000	44,968,000
Deferred inc. taxes	8,833,000	7,617,000
+ Common stock	11,230,000	10,804,000
Retained earnings	45,459,000	40,620,000
Total Liabilities & Shareholders' Equity	\$ 123,622,000	\$ 131,594,000

* At lower of cost (LIFO) or market.
‡ Less accumulated depreciation.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	5.29	6.41
% Net Income to Sales	3.01	3.39
% Net Income to Equity	10.52	11.74
Sales to Inventories	6.02	5.19
Debt to Equity	0.82	1.04
Working Capital	\$ 42,602,000	\$ 43,286,000
Current Ratio	2.94	2.57
Shareholders' Equity	\$ 56,689,000	\$ 51,424,000

Aileen, Inc.

1411 Broadway
New York, New York 10018
(212) 398-9770

Officers: Abe Oberlin, chairman of the board & president; C. W. Lillard, v.p.; Francis Holden, v.p.; Robert W. Tarpley, v.p.-finance, treasurer & asst. secretary; Alvin M. Stein, secretary.

Directors: Abe Oberlin, chairman; Wilbur L. Ross, Jr., Isidor B. Sandler, Francis Holden, C. W. Lillard, Robert H. Brown.

Business Activities: Engaged in the production and marketing of women's apparel, including skirts, dresses, shorts, slacks, blouses, sweaters and jackets. In addition, the Company operates 129 retail stores which sell apparel manufactured by the Company. These stores are located primarily on the East coast.

Trademarks and/or Brand Names: Aileen, Aileen Too, Aileen Petite, SPORT, You & i.

Plant Location(s): Culpeper, Edinburg, Flint Hill, New Market, South Hill, Victoria, & Woodstock, Virginia.

Divisions:

Aileen Division
1411 Broadway
New York, New York 10018
Manufactures moderately priced active sportswear for the young woman.

The Aileen Too Division
1411 Broadway
New York, New York 10018
Manufactures large-sized women's clothing.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: AEE

Sales & Earnings

	Net Sales	Net Income
1988	\$ 61,767,000	\$ 865,000
1987	52,218,000	(6,379,000)
1986	44,774,000	(2,403,000)
1985	53,259,000	112,000
1984*	54,205,000	(1,951,000)
	No. of Com. Shares ‡	Earn. per Share ‡
1988	5,149,688	\$ 0.17
1987	5,125,361	—
1986	5,087,180	—
1985	5,075,888	0.02
1984*	5,075,534	—

(Loss)

* 53 weeks.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 23,794,000	\$ 4.62
1987	22,929,000	4.45
1986	29,182,000	5.72
1985	31,511,000	6.21
1984	31,399,000	6.19

Income Account *

Year ended	10/29/88	10/31/87
Net sales	\$ 61,767,000	\$ 52,218,000
Other income	149,000	41,000
Total income	\$ 61,916,000	\$ 52,259,000
Cost of sales	37,156,000	34,771,000
Expenses	23,349,000	20,201,000
Interest expense	546,000	145,000
Prov. for idle plant costs	—	3,521,000
Net Income (Loss)	\$ 865,000	\$ (6,379,000)

* Included in Costs and Expenses. Depreciation: \$1,754,000 in 1988 and \$1,873,000 in 1987.

Assets

As of	10/29/88	10/31/87
Cash	\$ 696,000	\$ 669,000
Accts. receiv., net	—	4,532,000
Due from factor	3,406,000	—
* Inventories	18,320,000	13,340,000
Other curr. assets	456,000	349,000
Current Assets	\$ 22,858,000	\$ 18,890,000
‡ Fixed assets	10,996,000	11,681,000
Fixed assets held for sale	—	2,000,000
Other assets	201,000	208,000
Total Assets	\$ 34,055,000	\$ 32,779,000

Liabilities

Bank loan	\$ 2,554,000	\$ 2,019,000
Bank loan-officer	1,900,000	850,000
Long-term debt, curr.	—	769,000
Accts. payable	3,094,000	2,880,000
Accruals	2,713,000	2,563,000
Curr. Liabilities	\$ 10,261,000	\$ 9,081,000
Long-term debt	—	769,000
+ Common stock	5,150,000	5,150,000
Add. paid-in capital	11,525,000	11,525,000
Retained earnings	7,119,000	6,254,000
Total Liabilities & Shareholders' Equity	\$ 34,055,000	\$ 32,779,000

* At lower of cost (FIFO) or market.
‡ Less accumulated depreciation and amortization.
+ \$1 par value.

Statistical Summary

% Net Income to Sales	1.40	—
% Net Income to Equity	3.64	—
Sales to Inventories	3.38	3.91
Debt to Equity	0.19	0.19
Working capital	\$ 12,597,000	\$ 9,809,000
Current Ratio	2.23	2.08
Shareholders' Equity	\$ 23,794,000	\$ 22,929,000

Alba-Waldensian, Inc.

201 St. Germain Avenue, S.W.
P.O. Box 100
Valdese, North Carolina 28690
(704) 874-2191

Officers: William F. Karnbach, chairman of the board, president & chief exec. officer; Ron W. Scott, sr. v.p.; Donald R. Denne, vice president; Van C. Irwin, treasurer & secretary; David B. Higgins, asst. secretary.

Directors: Louis W. Garrou, J.A. Grisette, W. Harold Mitchell, C. Alan Forbes, Andrew M. Kistler, II, William D. Schubert, Howard O. Walker, Clyde Wm. Engle, Joseph Minio, Lee N. Mortenson, William F. Karnbach.

Business Activities: Manufactures women's hosiery products, including seamless hosiery, pantyhose, support hosiery products and novelty hosiery; men's hosiery products, including work, dress, casual, support and athletic socks; women's intimate apparel products include briefs and bikinis and related cut and sewn products including pant liners; health care products include both cotton and nylon anti-embolism hosiery products as well as other specialty products for medical supply distribution, and spandex.

Trademarks and/or Brand Names: Roman Stripe, Alba, Swedish Three Crown, XX Span, Sani Terry, Cotton Aire, Antron, Lycra, BBW, Special Edition, Electric Sok, All Day Long, Somebody, Certainly Me, Proportion Plus, Life Span, Cushion Mates, Boot Mates.

Plant Locations: Valdeese, North Carolina, Chilhowie, Virginia.

Divisions:

Consumer Products Division
Products include women's intimate apparel, and women's and men's hosiery.

Health Care Products Division
Manufactures products for use in hospitals, nursing homes, doctors' offices, and homes.

Subsidiary:

Pilot Research Corporation
Engaged in research and equipment development and holds a number of patents for machinery and products here and abroad.

Transfer Agent(s):

Wachovia Bank & Trust Company, N.A.
Winston-Salem, North Carolina

Stock Exchange(s):

American

Ticker Symbol: AWS

Sales & Earnings

	Net Sales +	Net Income
1988	\$ 47,390,000	\$ (2,467,254)
1987	48,385,000	(594,348)
1986	43,735,000	898,457
1985	41,524,000	(1,833,126)
1984	47,535,000	639,734

	No. of Com. Shares #	Earn. per Share #
1988	1,838,629	\$ —
1987	1,861,685	—
1986	1,861,230	0.48
1985	1,860,784	—
1984	1,857,332	0.34

(Loss)

+ Of continuing operations only.

Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1988	1987	1986	1985
Women's hosiery prods.	15.3 %	15.6 %	13.7 %	12.8 %
Women's dance & exer. prods.	4.8	10.6	12.9	11.3
Women's intimate prods.	52.9	47.8	44.3	44.7
Men's hosiery prods.	9.6	11.1	12.4	14.3
Health care prods.	17.4	14.9	16.7	16.9
Total	100.0 %	100.0 %	100.0 %	100.0 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ —	—	—
1987	—	—	—
1986	—	—	—
1985	—	—	—
1984	0.15	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1988	\$ 19,802,045	\$ 10.77
1987	22,609,176	12.14
1986	23,196,337	12.46
1985	22,297,880	11.98
1984	24,123,131	12.99

Based on the weighted average number of shares outstanding.

Income Account*

Year ended Dec. 31	1988	1987
Net sales	\$ 47,390,359	\$ 48,384,803
Cost of sales	40,395,769	40,296,542
Expenses	9,274,459	6,728,530
Oper. profit (loss)	\$ (2,279,869)	\$ 1,359,731
Interest expense	561,030	579,935
Interest income	(14,715)	(106,442)
Loss (gain) on sale	(34,483)	1,704
Other expense (income)	370,450	(107,487)
Income (loss) bef. taxes	\$ (3,162,151)	\$ 992,021
Income taxes (credit)	(694,897)	2,275
Inc. (loss) - cont. oper.	\$ (2,467,254)	\$ 989,746
Loss - discont. oper.	—	(1,584,094)
Net Loss	\$ (2,467,254)	\$ (594,348)

* Included in Costs and Expenses, Depreciation and Amortization: \$1,258,766 in 1988 and \$958,886 in 1987.

Assets

As of Dec. 31	1988	1987
Cash	\$ 640,636	\$ 1,112,460
Notes receiv.	42,642	8,072
Accts. receiv., net	6,012,525	8,235,079
*Inventories	10,008,926	11,286,751
Prepaid expenses	136,338	825,182
Refund. inc. taxes	216,171	214,696
Current Assets	\$ 17,057,238	\$ 21,682,240
*Fixed assets	9,849,256	9,611,382
Other assets	1,522,045	3,092,288
Total Assets	\$ 28,428,539	\$ 34,385,910

Liabilities

Notes payable	\$ 3,800,000	\$ 4,559,765
Revenue bond, curr.	338,575	634,029
Cap. lease oblig., curr.	50,522	92,422
Accts. payable	1,190,273	2,027,005
Accrued pension	374,541	568,753
Accrued taxes	160,199	389,061
Other accruals	635,048	373,911
Curr. Liabilities	\$ 6,549,158	\$ 8,644,946
Long-term debt	1,225,000	1,620,482
Deferred compensation	852,336	816,106
Deferred income taxes	—	695,200
+Common stock	4,716,450	4,716,450
Add. paid-in capital	9,182,158	9,182,158
Retained earnings	6,552,517	9,019,771
Treasury stock	(649,080)	(309,203)
Total Liabilities & Shareholders' Equity	\$ 28,428,539	\$ 34,385,910

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$2.50 par value.

Statistical Summary

Sales to Inventories	4.73	4.29
Debt to Equity	0.27	0.28
Working Capital	\$ 10,508,080	\$ 13,037,294
Current Ratio	2.60	2.51
Shareholders' Equity	\$ 19,802,045	\$ 22,609,176

Allied-Signal, Inc.

(Formerly Allied Corporation)

Columbia Road and Park Avenue
P.O. Box 2245R
Morristown, New Jersey 07962
(201) 455-2000

Officers: Edward L. Hennessy, Jr., chairman of the board & chief exec. officer; Alan Belzer, president & chief operating officer; Robert L. Kirk, exec. v.p., chairman & chief exec. officer-Aerospace Company; John W. Day, exec. v.p. & president-Allied-Signal Automotive; Roy H. Ekrom, exec. v.p.-pres. Aerospace Company; John W. Barter, sr. v.p. & chief financial officer; Mary L. Good, sr. v.p.-technology; Brian D. Forrow, sr. v.p. & gen. counsel; Edwin M. Halkyard, sr. v.p.-human resources; David G. Powell, sr. v.p.-public affairs; Edward W. Callahan, v.p.-health, safety, and environmental sciences; G. Peter D'Aloia, v.p. & treasurer; Kenneth W. Cole, v.p.-gov't relations; J. Thomas Zusi, v.p. & controller; Andrew B. Samet, v.p., secretary & associate general counsel; John B. Fallon, v.p. & president-Allied-Signal International.

Directors: Jewel Plummer Cobb, Edward L. Hennessy, Jr., Donald W. Davis, William R. Haselton, Robert D. Kilpatrick, Stanley P. Porter, Thomas P. Stafford, Edward J. Boling, Ralph P. Davidson, Richard A. Lenon, Rawleigh Warner, Jr., Delbert C. Staley, Paul X. Kelley, Russell E. Palmer, Eugene E. Covert, Alan Belzer, Eugene Covert, Russell E. Palmer.

Business Activities: The Company's operations are conducted under three business segments: aerospace, automotive; and engineered materials.

Engineered materials include nylon home furnishings fibers, nylon and polyester industrial fibers, nylon apparel fibers, process technologies, catalysts and sorbents, circuit board laminates, engineered plastics, fluorocarbons, high-density polyethylene, low-molecular-weight polyethylene, hydrofluoric acid, performance films, uranium hexafluoride, specialty oximes, amorphous metal alloys, sulfur hexafluoride, and tar products.

Aerospace products include turbofan/turboprop engines, gas turbine engines, auxiliary power units, integrated avionics systems, automatic test systems, wheels and brakes, weather radar systems, flight control actuators, fuel controls, ignition systems, pneumatic hydraulic, electro-mechanical control systems, gyroscopic devices, secure communications devices, environmental systems, anti-submarine systems, communications systems, missile components and systems, space pointing and control systems, air data computers, data management systems, heat transfer systems, torpedo propulsion systems, and electric generating systems.

Allied-Signal, Inc.

Automotive products include air and hydraulic brake systems and components, friction materials, electronics, filters, spark plugs, turbo-chargers, and safety restraints.

Fiber Plant Location(s): Monrovia, N.C.; Columbia, S.C.; Hopewell, Va.; Philadelphia, Pa.

Textile Trademarks and/or Brand Names: Caprolan, Anso, Anso IV, Anso V, Worry-Free, Anso X, Captiva, Captina, Capima, Hydrofil, Patina.

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York 10015

Stock Exchange(s): New York, Midwest, Pacific, Amsterdam, Paris, Basle, Geneva, Zurich, Frankfurt, London, Tokyo

Ticker Symbol: ALD

Sales & Earnings

	Net Sales + (000's)	Net Income ‡ (000's)
1988	\$ 11,909,000	\$ 463,000
1987	11,116,000	656,000
1986	9,888,000	605,000
1985	8,133,000	(279,000)
1984	8,864,000	488,000

	No. of Com. Shares †	Earn. per Share ‡
1988	147,960,725	\$ 3.10
1987	149,948,815	3.90
1986	174,352,025	3.26
1985	175,194,456	—
1984	83,029,334	5.03

(Loss)

+ Of continuing operations only.

‡ Including extraordinary gain of \$59,000,000 (\$0.35 per share) in 1987.

† Adjusted to reflect stock split.

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business (000's)

	1988	1987
Aerospace	\$ 4,746,000	\$ 4,748,000
Automotive	4,101,000	3,546,000
Engineered Materials	3,033,000	2,795,000
Unallocated	29,000	27,000
Total	\$ 11,909,000	\$ 11,116,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	\$ 1.80	—	—
1987	1.80	—	—
1986	1.80	—	—
1985	1.80	—	—
1984	1.75	—	3-for-2

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1988	\$ 3,268,000	\$ 22.09
1987	3,129,000	20.87
1986	3,670,000 ‡	21.06
1985	5,833,000 ‡	33.29
1984	2,747,000 ‡	33.09

‡ After allowing for preferred stock series at stated value.

Income Account * (000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 11,909,000	\$ 11,116,000
Cost of sales	9,606,000	8,909,000
Expenses	1,425,000	1,457,000
Restructuring costs	175,000	—
Oper. profit	\$ 703,000	\$ 750,000
Other income	(105,000)	(170,000)
Gain on Union Tex. stock issue	—	(108,000)
Nonrecurring items	(143,000)	—
Interest expense	318,000	264,000
Income before taxes	\$ 633,000	\$ 764,000
Income taxes	176,000	242,000
Eq. in loss (inc.) of affil. cos.	(6,000)	7,000
Inc. - cont. oper.	\$ 463,000	\$ 515,000
Inc. - disc. oper.	—	82,000
Net Income	\$ 463,000	\$ 597,000
Extraord. gain	—	59,000
Net Income & extraord. gain	\$ 463,000	\$ 656,000

* Included in Cost and Expenses, Depreciation and Amortization: \$416,000,000 in 1988 and \$347,000,000 in 1987.

Assets (000's)

As of Dec. 31	1988	1987
Cash & short term securities	\$ 397,000	\$ 349,000
Accts. & notes receiv., net	1,492,000	1,493,000
Inventories	2,061,000	2,060,000
Other curr. assets	167,000	182,000
Current Assets	\$ 4,117,000	\$ 4,084,000
Invest. & long-term receiv.	921,000	803,000
Fixed assets	3,214,000	3,330,000
Intangibles	1,378,000	1,547,000
Other assets	375,000	462,000
Total Assets	\$ 10,005,000	\$ 10,226,000

Liabilities (000's)

	1988	1987
Accts. payable	\$ 1,101,000	\$ 1,078,000
Short-term borrowing	220,000	239,000
Long-term debt, curr.	40,000	258,000
Accruals	1,841,000	1,887,000
Curr. Liabilities	\$ 3,202,000	\$ 3,462,000
Long-term debt	2,044,000	2,017,000
Deferred inc. taxes	717,000	706,000
Other liabilities	774,000	912,000
+ Common stock	179,000	179,000
Add paid-in capital	2,568,000	2,568,000
Retained earnings	1,671,000	1,503,000
Treasury stock	(1,181,000)	(1,150,000)
Currency trans. adj.	31,000	29,000
Total Liabilities & Shareholders' Equity	\$ 10,005,000	\$ 10,226,000

* At lower of cost (LIFO, FIFO or average) or market.
‡ Less accumulated depreciation and amortization.
+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.32	—
%Net Income to Sales	3.89	—
%Net Income to Equity	14.17	19.08
Sales to Inventories	5.78	5.40
Debt to Equity	0.71	0.80
Working Capital	\$ 915,000,000	\$ 622,000,000
Current Ratio	1.29	1.18
Shareholders' Equity	\$ 3,268,000,000	\$ 3,129,000,000

Amoco Corporation

200 East Randolph Drive
Chicago, Illinois 60601
(312) 856-6111

Officers: Richard M. Morrow, chairman of the board; H. Laurance Fuller, president; James W. Cozad, vice chairman; Walter R. Peirson, exec. v.p.; Richard H. Leet, exec. v.p.; Rudy A. Johnson, v.p.-public & government affairs; Edward A. Mason, v.p.-research; George S. Spindler, v.p. & general counsel; Richard J. Fischer, v.p.-government affairs; Frederick S. Addy, v.p.-finance; William R. Hutchinson, v.p. & treasurer; Ronald E. Callahan, secretary; Frederick J. Saathoff, v.p. & controller; R. Wayne Anderson, v.p.-human resources; John R. Lyman, v.p.-planning & economics; William J. Montgomery, v.p.-supply; Walter R. Quanstrom, v.p.-environmental affairs & safety; Robert D. Cadieu, pres.-Amoco Chemical Company; Patrick J. Early, pres.-Amoco Production Company; Lawrason D. Thomas, pres.-Amoco Oil Company.

Directors: Richard N. Morrow*, chairman; Arthur E. Rasmussen, Robert H. Malott, Richard D. Wood, James W. Cozad*, Walter R. Peirson*, Karl D. Bays, Richard J. Ferris, Frederick G. Jaicks, H. Laurance Fuller*, John H. Bryan, Jr., Walter E. Massey, Richard H. Leet*, Ruth S. Block.

* Member of the Executive Committee

Business Activities: Engaged worldwide in crude oil and natural gas exploration, production, purchasing, and transportation and in manufacturing, transporting, and marketing petroleum products, including chemicals, polymers, plastics and fertilizers. It has interests in minerals and real estate. Also produces synthetic fabrics, including polypropylene fabrics used for carpet backing, protective coverings and soil stabilization; and continuous filament carpet yarn.

Plant Location(s): Roanoke & Andalusia, Alabama; Atlanta, Bainbridge, Hazlehurst & Nashville, Georgia; Afton, Virginia; Lowell, North Carolina; Brantford, Cornwall & Hawkesbury, Canada; Dundee, Scotland.

Textile Trademarks and/or Brand Names: Marquesa Lana, PP Patchogue Plymouth, Poly Bac, Propex, Poly Needle Bac, Poly Double Bac, Patlon, Poly Bac II, Action Bac, Amoco, Propex III, Synera, AmoWeve.

Textile Subsidiaries:

Amoco Fabrics and Fibers Company
550 Interstate North
Atlanta, Georgia 30339

Amoco Deutschland GmbH
West Germany
Manufacture and sale of synthetic fibers.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
P.O. Box 469
Washington Bridge Station
New York, New York 10033

The First National Bank of Chicago
Stock Transfer Dept., 0122
One First National Plaza
Chicago, Illinois 60670

The National Trust Company
Stock Transfer
4 King Street West
Toronto, Ontario M5H 3W7, Canada

Stock Exchange(s): New York, Midwest

Ticker Symbol: AN

Sales & Earnings

	Revenues (000's)	Net Income (000's)
1988	\$ 21,150,000	\$ 2,063,000
1987	20,174,000	1,340,000
1986	18,281,000	747,000
1985	26,924,000	1,953,000
1984	26,955,000	2,183,000

	No. of Com. Shares †	Earn. per Share ‡
1988	517,066,000	\$ 4.00
1987	515,269,000	2.65
1986	511,402,000	1.45
1985	517,456,000	3.71
1984	542,858,000	3.85

† Adjusted to reflect stock split.

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1988	1987
Petroleum industry:		
Explor. & prod.	\$ 3,342,000	\$ 2,829,000
Refining, mktg. & trans.	15,994,000	15,762,000
Chemical industry	4,205,000	3,494,000
Other industries	107,000	146,000
Unallocated	271,000	225,000
Total	\$ 23,919,000	\$ 22,456,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	\$ 1.75	—	2-for-1
1987	1.65	—	—
1986	1.65	—	—
1985	1.65	—	—
1984	1.50	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1988	\$ 13,342,000	\$ 25.80
1987	12,107,000	23.50
1986	11,324,000	22.14
1985	11,588,000	22.39
1984	12,524,000	23.07

‡ Adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1988	1987
Net sales & other revenues	\$ 21,150,000	\$ 20,174,000
Consumer excise taxes	2,402,000	1,911,000
Other income	367,000	371,000
Total income	\$ 23,919,000	\$ 22,456,000
Cost of sales	12,321,000	12,340,000
Expenses	2,298,000	2,071,000
Taxes	3,207,000	2,840,000
Depreciation, depletion & amortization	2,318,000	2,295,000
Interest expense	468,000	410,000
Income bef. taxes	\$ 3,307,000	\$ 2,500,000
Income taxes	1,244,000	1,140,000
Net Income	\$ 2,063,000	\$ 1,360,000

Assets
(000's)

As of Dec. 31	1988	1987
Cash	\$ 233,000	\$ 189,000
Marketable securities	294,000	1,359,000
Accts. & notes receiv., net	3,341,000	3,059,600
Inventories	1,065,000	899,000
Prepaid expenses	460,000	393,000
Current Assets	\$ 5,393,000	\$ 5,899,000

Investments & other assets	1,431,000	1,072,000
Fixed assets	23,095,000	18,151,000
Total Assets	\$ 29,919,000	\$ 25,122,000

Liabilities
(000's)

Long-term debt & cap. lease oblig., curr.	\$ 225,000	\$ 222,000
Short-term borrowings	444,000	468,000
Accts. payable	2,909,000	2,532,000
Accruals	984,000	999,000
Income taxes payable	906,000	972,000
Curr. Liabilities	\$ 5,468,000	\$ 5,193,000
Long-term debt	5,759,000	2,773,000
Cap. lease oblig.	290,000	308,000
Deferred credits	5,054,000	4,735,000
Minority interest	6,000	6,000
+ Common stock	2,208,000	2,114,000
Retained earnings	11,172,000	10,044,000
For curr. trans. adj.	(38,000)	(51,000)
Total Liabilities & Shareholders' Equity	\$ 29,919,000	\$ 25,122,000

* At lower of current market value or cost. Crude oil, petroleum prod., chemical prod., at LIFO. All others at FIFO or average.

‡ Less accumulated depreciation, depletion and amortization.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales & Revenues	15.64	12.43
%Net Income to Sales & Revenues	9.75	6.74
%Net Income to Equity	15.46	11.23
Debt to Equity	0.50	0.29
Working Capital (000's)	—	\$ 706,000
Current Ratio	—	1.14
Shareholders' Equity (000's)	\$ 13,342,000	\$ 12,107,000

Andover Togs, Inc.

One Penn Plaza
New York, New York 10119
(212) 244-0700

Officers: William L. Cohen, chairman, president & chief exec. officer; Frank Armistead, sr. v.p.-manufacturing; Stephen Fenyes, v.p.-administration; Stanley Schmoller, v.p.-manufacturing; Harold Drachman, v.p.-sales; Donald D. Shack, secretary; Bernard Pliskin, treasurer & chief financial & accounting officer; Harvey Messinger, asst. treasurer.

Directors: William L. Cohen, chairman; Peter A. Cohen, Mel Schnell, Donald D. Shack, Irwin M. Taylor, Bernard Pliskin.

Business Activities: Designs, manufactures, imports, and markets a full line of non-branded, popular-priced children's active sportswear. The Company also manufactures children's outerwear; sportswear products for infants and toddlers; and a limited line of women's active sportswear.

Plant Location(s): Pishah, Stevenson, Skyline, Alabama; Clinton, North Carolina; Lake City, South Carolina; La Romana, Dominican Republic.

Subsidiaries:

Lori Lee, Inc.
Clinton, North Carolina
Manufactures and imports children's outerwear.

Anchor Apparel, Inc.
(80%-owned)
Lake City, South Carolina
Manufactures sportswear for infants and toddlers.

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York 10001

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ATOG (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1988	\$ 71,376,000	\$ 213,000
1987	63,692,000	775,000
1986	51,257,000	2,021,000
1985	42,805,000	1,925,000
1984	39,652,000	1,492,000
	No. of Com. Shares ‡	Earn. per Share ‡
1988	3,239,664	\$ 0.07
1987	3,299,704	0.23
1986	2,879,000	0.70
1985	2,500,000	0.77
1984	2,500,000	0.60

‡ Pro forma.

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 15,398,000	\$ 4.76
1987	15,349,000	4.68
1986	14,640,000	4.44
1985	4,786,000	1.91
1984	4,672,000	1.87

Income Account *

Year ended Nov. 30	1988	1987
Net sales	\$ 71,376,000	\$ 63,691,800
Cost of sales	56,542,900	50,229,200
Expenses	12,641,100	10,987,000
Interest expense	1,773,600	1,231,500
Minority interest in loss of consolidated subsid.	(65,300)	—
Income before taxes	\$ 484,000	\$ 1,244,100
Income taxes	271,500	469,200
Net Income	\$ 212,500	\$ 774,900

* Included in Costs and Expenses, Depreciation and Amortization: \$1,041,700 in 1988 and \$653,300 in 1987.

Assets

As of Nov. 30	1988	1987
Cash	\$ 443,300	\$ 421,600
Accts. receiv., net	11,485,100	12,858,900
Inventories	18,397,600	15,708,500
Prepaid expenses	544,300	960,400
Other curr. assets	1,198,500	970,200
Current Assets	\$ 32,069,000	\$ 30,919,600
Fixed assets	8,869,200	6,891,400
Other assets	871,600	505,500
Total Assets	\$ 41,809,800	\$ 38,316,500

Liabilities

Notes payable	\$ 5,006,300	\$ 6,258,000
Long-term debt & cap. lease oblig., curr.	571,400	440,500
Accts. payable	6,370,400	6,093,700
Accruals	3,304,800	2,580,000
Curr. Liabilities	\$ 15,252,900	\$ 15,372,200

Andover Togs, Inc.

Long-term debt & cap. lease oblig.	10,178,600	6,805,300
Deferred inc. taxes	478,500	466,500
Other liabilities	442,600	324,000
+ Common stock	330,000	330,000
Add. paid-in capital	9,350,400	9,350,400
Retained earnings	5,947,100	5,734,600
Treasury stock	(230,000)	(66,500)

Total Liabilities & Shareholders' Equity	\$ 41,809,800	\$ 38,316,500
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* At lower of cost (FIFO) or market.
 # Less accumulated depreciation and amortization.
 + \$0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	0.68	1.95
% Net Income to Sales	0.30	1.22
% Net Income to Equity	1.34	5.05
Sales to Inventories	3.88	4.05
Debt to Equity	1.02	0.88
Working Capital	\$ 16,816,100	\$ 15,547,400
Current Ratio	2.10	2.01
Shareholders' Equity	\$ 15,397,500	\$ 15,348,500

Angelica Corporation

10176 Corporate Square Drive
 Suite 100
 St. Louis, Missouri 63132
 (314) 991-4150

Officers: Leslie F. Loewe, chairman of the board & chief exec. officer; Lawrence J. Young, president & chief operating officer; Allyn J. Aach, v.p.; James E. Steffoff, exec. v.p., pres.-Retail Services; Theodore M. Armstrong, sr. v.p., finance & administration & chief financial officer; Donald C. Wickard, v.p., president-Retail Stores; Robert M. Baker, treasurer; L. Linden Mann, controller & asst. secretary; Charles D. Molloy, Jr., controller; John S. Aleman, v.p., human resources; Jill Witter, secretary & house counsel.

Directors: Leslie F. Loewe, chairman; Lee M. Liberman, Richard A. Meyer, Elliot H. Stein, H. Edwin Trusheim, Robert C. West, William P. Stritz, Earle H. Harbison, Jr., Lawrence J. Young.

Business Activities: Manufactures and markets uniforms and career apparel for institutions and businesses; operates a national chain of retail uniform and shoe stores; provides rental and laundry services of textiles and garments primarily to health care institutions.

Apparel Trademarks and/or Brand Names: Apples for Life, Anticipating Life, Just Right, Laura Clayton.

Divisions and Subsidiaries:

Manufacturing and Marketing

Angelica Uniform Group Inc.
 700 Rosedale Avenue
 St. Louis, Missouri 63112
 (314) 889-1111

Designs, manufactures, warehouses and markets a line of washable and tailored non-washable vocational attire.

Angelica-Whitewear Ltd.
 5550 Fullum Street
 Montreal, Quebec H2G 2H4, Canada
 (514) 271-4671

Designs, manufactures, and markets vocational apparel.

Angelica Uniform of Canada, Ltd.
 35 Suntract Road
 Weston, Ontario M9N 2V8, Canada
 (416) 247-7482

Designs, manufactures and markets vocational apparel.

Retail Stores

Life Uniform & Shoe Shops
 700 Rosedale Avenue
 St. Louis, Missouri 63112
 (314) 889-1111

Operates a nationwide chain of specialty stores selling a full line of uniforms, shoes and related accessories at retail primarily to registered nurses.

Rental Services

Angelica Healthcare Services Group, Inc.
 10176 Corporate Square Drive
 Suite 150
 St. Louis, Missouri 63132
 (314) 991-2931

Provides delivery and cleaning on a rental basis of surgical specialty textiles, garments and hospital linens.

Angelica Healthcare Services Group, Inc.
 Western Divisional Office
 300 Ranger Street
 Brea, California 92621
 (714) 579-0909

Angelica Healthcare Services Group, Inc.
 Eastern Divisional Office
 10176 Corporate Square Drive
 St. Louis, Missouri 63132
 (314) 991-2931

Transfer Agent(s):

Boatmen's Trust Company
 Stock Transfer Department
 510 Locust Street
 St. Louis, Missouri 63101

Stock Exchange(s): New York

Ticker Symbol: AGL

Sales & Earnings

	Net Sales +	Net Income
1989	\$ 328,134,000	\$ 16,642,000
1988	306,669,000	17,235,000
1987	291,704,000	16,701,000
1986	269,099,000	17,159,000
1985	246,404,000	16,328,000

	No. of Com. Shares	Earn. per Share ‡
1989	9,342,871	\$ 1.79
1988	9,342,271	1.85
1987	9,308,061	1.79
1986	9,291,832	1.84
1985	9,268,413	1.76

+ Includes rental service revenues.

‡ Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Manufacturing & marketing	\$ 153,805,000	\$ 144,893,000
Rental serv.	155,352,000	143,255,000
Retail sales	33,837,000	31,579,000
Intersegment	(14,860,000)	(13,058,000)
Total	\$ 328,134,000	\$ 306,669,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	\$ 0.73	—	—
1988	0.70	—	—
1987	0.61	—	—
1986	0.59	—	—
1985	0.52	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	\$ 149,712,000	\$ 16.09
1988	138,406,000	14.95
1987	128,217,000 ‡	13.78
1986	116,623,000 ‡	12.56
1985	104,990,000 ‡	11.34

‡ After allowing for preferred stock and Class A preferred stock at liquidation value of \$100 per share.

Income Account *

Year ended Jan. 31	1989	1988
Net sales	\$ 172,782,000	\$ 163,414,000
Service revenues	155,352,000	143,255,000
Total revenues	\$ 328,134,000	\$ 306,669,000
Cost of sales	116,056,000	106,520,000
Cost of services	119,449,000	108,501,000
Expenses	63,260,000	59,895,000
Interest expense	2,783,000	1,860,000
Other income	(476,000)	(343,000)
Income before taxes	\$ 27,062,000	\$ 30,236,000
Income taxes	10,420,000	13,001,000
Net Income	\$ 16,642,000	\$ 17,235,000

* Included in Costs and Expenses, Depreciation and Amortization: \$8,612,000 in 1989 and \$7,683,000 in 1988.

Assets

As of	1989	1988
Cash	\$ 2,457,000	\$ 3,242,000
Receivables	53,510,000	48,918,000
* Inventories	73,447,000	63,348,000
Prepaid expenses	2,898,000	1,760,000
Linens in service	23,746,000	23,311,000
Current Assets	\$ 156,058,000	\$ 140,579,000
* Fixed assets	60,875,000	62,707,000
Other assets	16,150,000	13,155,000
Total Assets	\$ 232,883,000	\$ 216,441,000

Liabilities

	1989	1988
Short-term debt	\$ 14,300,000	\$ 9,100,000
Long-term debt & cap. lease oblig., curr.	2,964,000	2,901,000
Accrs. payable	15,594,000	15,773,000
Accrued payroll	5,680,000	5,481,000
Accruals	4,988,000	4,789,000
Income taxes	1,792,000	943,000
Deferred inc. taxes	6,522,000	6,353,000
Curr. Liabilities	\$ 51,940,000	\$ 45,340,000
Long-term debt & cap. lease oblig.	19,013,000	21,588,000
Deferred compensation	6,429,000	6,661,000
Deferred inc. taxes	5,889,000	6,092,000
+ Common stock	9,343,000	9,342,000
Add. paid-in capital	1,182,000	1,172,000
Retained earnings	139,413,000	129,600,000
Translation adjust.	478,000	(219,000)
Treasury stock	(704,000)	(1,135,000)
Total Liabilities & Shareholders' Equity	\$ 232,883,000	\$ 216,441,000

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

% Income bef. Taxes to Revenues	15.66	9.86
% Net Income to Revenues	9.63	5.62
% Net Income to Equity	11.12	12.42
Debt to Equity	0.24	0.24
Working Capital	\$ 104,218,000	\$ 171,101,000
Current Ratio	3.01	4.77
Shareholders' Equity	\$ 149,712,000	\$ 138,760,000

Athlone Industries, Inc.

200 Webro Road
Parsippany, New Jersey 07054
(201) 887-9100
(212) 425-6550

Officers: Harold J. Miller, chairman of the board & president; Daniel J. Lyons, exec. v.p.; Alan Shaw, v.p., secretary & gen. counsel; Jeremiah M. Healy, v.p. & treasurer; Robert L. Wood, vice president; Raymond P. Fisher, vice president; Charles E. Quinby, v.p. & controller; William L. Ginna, asst. controller; Jane S. Pollock, associate general counsel.

Directors: Harold J. Miller*, chairman; Guy F. McCracken, Stanley Harris, Theodore W. Kheel*, David J. Lyons*, Samuel Perlman, Walter J. Roper*, Alan Shaw.

* Member of the Executive Committee

Business Activities: Engaged in the production and sale of women's shirts, blouses and tops, swimwear and shoes; softball and other sporting goods; stainless steel plate, tool steels, alloy steels and selected carbon specialties; industrial fasteners, nuts, bolts, screws and washers.

Apparel Trademarks and/or Brand Names: Sea Fashions of California, Lee Mar, Marlyle, Hamp Shires, Sea Weed of California

Divisions and Subsidiaries:

Gelfo Manufacturing Co., Inc.
650 Cantigue Road
Jericho, New York 11753
Manufactures women's, children's and junior swimwear.

Sea Fashions, Inc.
100 East 9th Street
Los Angeles, California 90015
Manufactures women's, children's and junior swimwear.

Lee Mar of California
1250 South Los Angeles Street
Los Angeles, California 90015
Manufactures women's blouses, skirts and related separates.

Dudley Sports Co.
108 Dixon Street
Vidalia, Georgia 30474
Manufactures high-grade softballs.

Henschel Shoe Division
27 Redington Street
Littleton, New Hampshire 03561
Manufactures hand-sewn and machine-sewn women's casual shoes.

Jessop Steel Company
500 Green Street
Washington, Pennsylvania 15301
Produces specialty metals, principally stainless steels, tool steels and nickel alloys.

Reynolds Fasteners, Inc.
120 Clover Place, Raritan Center
Edison, New Jersey 08837
Distributes imported industrial fasteners in the U.S.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 W. 33rd St.
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: ATH

Sales & Earnings

	Net Sales +	Net Income †
1987	\$ 207,775,000	\$ (2,717,000)
1986	195,010,000	1,559,000
1985	217,265,000	(32,393,000)
1984	218,016,000	6,048,000
1983	190,886,000	(493,000)

	No. of Com. Shares	Earn. per Share ‡
1987	\$ 2,598,315	\$ —
1986	2,324,587	0.43
1985	2,319,837	—
1984	2,398,637	2.15
1983	2,395,294	—

(Loss)

+ Of continuing operations only.

† Including extraordinary loss of \$1,436,000 in 1987.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1987	1986
Metal prod:		
Specialty steels	\$ 117,265,000	\$ 97,588,000
Industrial fasteners	37,508,000	47,002,000
Consumer prods.	53,002,000	50,420,000
Total	\$ 207,775,000	\$ 195,010,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	\$ 1.60	—	—
1986	1.60	—	—
1985	1.60	—	—
1984	1.60	—	—
1983	1.60	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	\$ 5,416,000	\$ 2.08
1986	9,075,827	3.90
1985	12,237,199	5.28
1984	51,359,359	21.41
1983	50,235,664	20.97

Income Account

Year ended	1987	1986
Dec. 31		
Net sales	\$ 207,775,000	\$ 195,010,000
Cost of sales	154,343,000	144,618,704
Expenses	34,371,000	28,156,118
Depreciation & amortization	3,451,000	3,558,403
Interest expense	19,676,000	18,148,901
Div. from pref. stock invest.	(1,581,000)	(2,644,126)
Write-down of invest. in pref. stock	750,000	500,000
Inc. (loss) bef. taxes	\$ (3,235,000)	\$ 2,672,000
Income taxes	885,000	1,113,000
Net Income (loss)	\$ (4,120,000)	\$ 1,559,000
Extraord. loss	(1,436,000)	—
Cum. effect of change in acctg. method	2,839,000	—
Net Income (loss) & extraord. loss	\$ (2,717,000)	\$ 1,559,000

Assets

As of Dec. 31	1987	1986
Cash & cert. of dep.	\$ 8,621,000	\$ 12,359,327
Receiv., net	29,423,000	27,233,059
† Inventories	69,719,000	57,108,185
Other curr. assets	1,007,000	1,782,375
Current Assets	\$ 108,770,000	\$ 98,482,946

# Fixed assets	26,191,000	27,614,539
Other assets	3,496,000	4,398,790
Intangibles	19,516,000	19,787,283
Invest. in pref. stocks	12,468,000	21,883,577
Assets of discont. oper.	13,026,000	13,026,249
Total Assets	\$ 183,467,000	\$ 185,193,384

Liabilities

Notes payable	\$ 17,000,000	\$ 18,500,000
Long-term debt, curr.	1,028,000	1,027,890
Accts. payable	16,841,000	20,032,699
Accruals	10,596,000	11,724,090
Liab. of discont. oper.	4,797,000	5,308,776
Curr. Liabilities	\$ 50,262,000	\$ 56,593,455
Long-term debt	109,003,000	98,410,891
Deferred inc. taxes	1,043,000	993,689
Liab. of discont. oper.	4,797,000	5,308,776
+ Redeem. pref. stock	3,384,000	3,348,818
+ + Common stock	260,000	232,459
Add. paid-in capital	5,167,000	85,884
Retained earnings	2,988,000	10,130,670
Valuation allow. for eq. secur.	(2,999,000)	(1,373,186)
Curr. trans. adjust.	—	—
Total Liabilities & Shareholders' Equity	\$ 183,467,000	\$ 185,193,384

* At lower of average cost or market except Metal Products Group inventories at LIFO.

‡ Less accumulated depreciation and amortization.

+ \$1 par value; nonconvertible.

+ + \$0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	1.37
% Net Income to Sales	—	0.80
% Net Income to Equity	—	17.18
Sales to Inventories	2.98	3.41
Working Capital	\$ 58,508,000	\$ 41,889,491
Current Ratio	2.16	1.74
Shareholders' Equity	\$ 5,416,000	\$ 9,075,827

The Banker's Note, Inc.

4900 Highlands Parkway
Smyrna, Georgia 30082
(404) 432-0636

Officers: Martin S. Suchik, chairman, president & chief executive officer; Harold D. Cannon, v.p.-operations & secretary; Thomas J. Thirkell, chief financial officer & treasurer; James H. Stancil, v.p.-stores.

Directors: Martin S. Suchik, chairman; Harold D. Cannon, Jerry L. Barton, Walter S. Segaloff, S.K. Chow, Kenneth L. Bernhardt.

Business Activities: The Company designs and contracts for the manufacture of private label moderate to better-priced women's apparel sold in its "The Banker's Note" and "Brenda Allen's" retail women's clothing stores operated in nine southern states.

Transfer Agent(s):

The Citizens and Southern National Bank
33 North Avenue
Atlanta, Georgia 30348

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BKNT (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1989	\$ 36,712,000	\$ 679,000
1988	39,855,000	(1,482,000)
1987	34,585,000	1,374,000
1986	24,279,000	1,228,000
1985	20,719,000	299,000

The Banker's Note, Inc.

	No. of Com. Shares +	Earn. per Share +
1989	3,222,000	\$ 0.21
1988	3,218,000	—
1987	3,426,000	0.40
1986	2,853,000	0.43
1985	2,876,000	0.11

(Loss)

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	\$ 7,023,000	\$ 2.18
1988	6,353,000	1.97
1987	8,353,000	2.44
1986	6,660,000	2.33
1985	3,997,000	1.39

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended	1/28/89	1/30/88
Net sales	\$ 36,712,000	\$ 39,855,000
Cost of sales	25,351,000	30,065,000
Expenses	9,908,000	11,704,000
Depreciation & amortization	616,000	871,000
Interest expense	6,000	41,000
Interest income	(401,000)	(407,000)
Store clos. costs	125,000	256,000
Income (loss) bef. taxes	\$ 1,107,000	\$ (2,675,000)
Income taxes (credit)	428,000	(1,193,000)
Net Income (Loss)	\$ 679,000	\$ (1,482,000)

Assets

As of	1/28/89	1/30/88
Cash & short-term invest.	\$ 3,168,000	\$ 807,000
Accts. receiv., net	325,000	238,000
Notes receiv. - shareholders	—	121,000
Refundable taxes	—	1,488,000
*Inventories	4,588,000	5,031,000
Prepaid expenses	202,000	180,000
Current Assets	\$ 8,504,000	\$ 7,865,000
*Fixed assets	2,066,000	2,051,000
Other assets	75,000	79,000
Total Assets	\$ 10,645,000	\$ 9,995,000

Liabilities

Long-term debt, curr.	\$ —	\$ 187,000
Accts. payable	1,902,000	2,073,000
Accruals	734,000	503,000
Accrued payroll	208,000	257,000
Customer credits	89,000	102,000
Income taxes	187,000	—
Current Liabilities	\$ 3,120,000	\$ 3,122,000
Deferred inc. taxes	502,000	537,000
+Common stock	42,000	41,000
Add. paid-in capital	3,959,000	3,856,000
Retained earnings	4,464,000	3,785,000
Treasury stock	(1,335,000)	(1,329,000)
Stock subscr. receiv.	(107,000)	(17,000)
Total Liabilities & Shareholders' Equity	\$ 10,645,000	\$ 9,995,000

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	3.02	—
% Net Income to Sales	1.85	—
% Net Income to Equity	9.67	—
Sales to Inventories	8.00	7.92
Debt to Equity	—	0.03
Working Capital	\$ 5,384,000	\$ 4,318,000
Current Ratio	2.73	2.38
Shareholders Equity	\$ 7,023,000	\$ 6,353,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	3,735,000	\$ 0.01
1987	3,855,000	0.74
1986*	3,839,000	1.13
1985	3,784,000	—
1984	3,946,000	0.04

(Loss)

* 53 weeks.

† Including extraordinary gain of \$888,000 (\$0.23 per share) in 1986.

‡ Based on the average number of shares outstanding.

R.G. Barry Corporation

13405 Yarmouth Rd. N.W.
Pickerington, Ohio 43147
(614) 864-6400

Mailing address:
P.O. Box 129
Columbus, Ohio 43216

Officers: Gordon Zacks, chairman of the board & chief exec. officer; Wade M. Harn, president & chief operating officer; Tex Hysell, v.p.-operations; Lauritz K. Knudsen, v.p.-sales; Charles Ostrander, v.p.-marketing; Richard Burrell, v.p.-finance, treasurer & secretary; Daniel D. Viren, v.p. & controller; Richard W. Zborowski, v.p.-human resources.

Directors: Gordon Zacks, chairman; Edward Stan, Harvey M. Krueger, William Ellis, Jr., Wade M. Harn, Richard L. Burrell, William Giovanello, Melvin L. Schottenstein, Allan J. Bloostein.

Business Activities: Engaged in the production and distribution of leisure time comfort footwear (both leather and textile) for men, women and children. Principal outlets for Barry's footwear products are department stores and specialty shops.

Trademarks and/or Brand Names: Angel Treads, Dearfoams, Madye's, Snug Treds, Dearfoams For Kids, Dearfoams for Men, Capezio®.

*Under licensing agreement.

Plant Location(s): Goldsboro, N.C.; San Angelo, Laredo, Texas; Ciudad Juarez, Ciudad Acuna & Nuevo Laredo, Mexico.

Divisions and Subsidiaries:

Bentley Sales
13405 Yarmouth Road
Pickerington, Ohio 43147
(614) 864-6400

Dearfoams Brands Sales
350 5th Avenue, Suite 1228
New York, New York 10118
(212) 947-7580

Barry de Mexico
Cesar Lopez de Lara Avenue
Nuevo Laredo, Mexico

Transfer Agent(s):

The Bank of New York
48 Wall Street
New York, New York 10005

Huntington National Bank
Columbus, Ohio

Stock Exchange(s): American

Ticker Symbol: RGB

Sales & Earnings

	Net Sales	Net Income †
1988	\$ 106,203,000	\$ 23,000
1987	97,021,000	2,861,000
1986*	86,434,000	4,336,000
1985	95,710,000	(910,000)
1984	120,200,000	144,000

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 27,425,000	\$ 7.36
1987	27,781,000	7.27
1986	24,972,000	6.49
1985	20,318,000	5.32
1984	23,319,000	5.75

Income Account*

Year ended	12/31/88	1/2/88
Net sales	\$ 106,203,000	\$ 97,021,000
Cost of sales	66,467,000	58,733,000
Expenses	19,657,000	32,931,000
Royalty income	(1,199,000)	(1,207,000)
Gain on plant fire	(800,000)	—
Interest expense	1,777,000	1,455,000
Income bef. taxes	\$ 301,000	\$ 5,109,000
Income taxes	278,000	2,248,000
Net Income	\$ 23,000	\$ 2,861,000

* Included in Costs and Expenses, Depreciation and Amortization: \$1,458,000 in 1988 and \$995,000 in 1987.

Assets

As of	12/31/88	1/2/88
Cash	\$ 3,707,000	\$ 13,257,000
Accts. receiv., net	17,032,000	12,744,000
*Inventories	16,465,000	13,704,000
Deferred inc. taxes	1,482,000	1,398,000
Prepaid expenses	1,419,000	1,356,000
Refund. inc. taxes	374,000	—
Current Assets	\$ 40,479,000	\$ 42,459,000
*Fixed assets	12,242,000	9,223,000
Other assets	867,000	935,000
Total Assets	\$ 53,588,000	\$ 52,617,000

Liabilities

Long-term debt, curr.	\$ 1,010,000	\$ 1,274,000
Accts. payable	8,111,000	5,397,000
Accrued expenses	2,790,000	3,320,000
Accrued income taxes	—	1,724,000
Current Liabilities	\$ 11,911,000	\$ 11,715,000
Long-term debt	11,844,000	10,868,000
Cap. lease oblig.	1,670,000	1,795,000
+Common stock	3,726,000	3,823,000
Add. paid-in capital	12,587,000	13,071,000
Deferred compensation	(1,243,000)	(1,445,000)
Retained earnings	12,355,000	12,332,000
Total Liabilities & Shareholders' Equity	\$ 53,588,000	\$ 52,617,000

* At lower of cost (LIFO & FIFO) or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.28	5.27
%Net Income to Sales	0.02	2.95
%Net Income to Equity	0.08	10.30
Sales to Inventories	6.45	7.08
Debt to Equity	0.52	0.50
Working Capital	\$ 28,568,000	\$ 30,744,000
Current Ratio	3.40	3.62
Shareholders' Equity	\$ 27,425,000	\$ 27,781,000

BASF Corporation

(Fibers Division)

P.O. Drawer D
Williamsburg, Virginia
(804) 887-6700

BASF Corporation is a wholly owned subsidiary of BASF AG of Ludwigshafen, West Germany.

Officers: R. Wayne Godwin, president; Roger R. Zoccolillo, group v.p.-marketing; Ray H. Dean, group v.p.-manufacturing; Klaus H. Messinger, sr. v.p.-administration; Albert R. Trevarthen, sr. v.p.-human resources; Wolfgang K. Martin, v.p.-research & development; Howell S. Lewis, controller.

Directors: Juergen F. Strube, chairman; Johannes Grobmann, Juergen Kammer, Hans Kopper, Norbert Rudolph, Edwin Stenzel, Frederick Bernthal, J. Larry Jameson, Wolfgang Ritter, Hans-Uwe Schenck.

Business Activities: The Fibers Division is engaged in the production and marketing of fibers and yarns, including nylon-6 and acrylic staple and yarns for apparel, home furnishings, and industrial end uses.

Trademarks and/or Brand Names: Zefran, Zeftron, Zeftron 500, Vivana, Zefsport, Zantrel, Golden Glow, Golden Touch, Silky Touch, Ultra Touch, Strialine.

Plant Location(s): Anderson & Allendale & Central, S.C.; Freeport, Texas; Williamsburg, Va; Sylvania, Ga.; Armprior, Ont., Canada; Lowland, Tenn; Enka, N.C.

Textile Subsidiary:

BASF Fibers Inc.
1565 Carling Avenue
Ottawa, Ontario K1Z 8R1 Canada
(613) 725-3685

Bayly Corp.

(49.9%-owned by NASCO Holdings, Inc.)

Bldg. 22
Denver Tech Center
Englewood, Colorado 80111
(303) 773-3850

Officers: Richard Saddenfield, chairman of the board; George K. Hansen, president & chief executive officer; Edward Calligan, v.p.-sales, brands; Louis F. Costello, v.p. & chief financial officer; David Ehouseman, v.p., chief financial officer, secretary & treasurer; Jerry Hair, v.p.-sales, private label; Robert Higginbotham, v.p.-administration.

Directors: Richard Saddenfield, chairman; George K. Hansen, E. Warren, W. Chalk, Edward Bauman, K. Donald Jensen.

Business Activities: Manufacturer of leisure and utility apparel, largely men's and boy's clothing. Jeans and leisure wear comprise the major portion of its operations.

Trademarks and/or Brand Names: Ocean Pacific, Plain Pockets, O'Neill, Sun East, Fresh Squeeze.

Plant Location(s): Sanger, Calif.; Waco, Texas; Allende, Mexico.

Subsidiaries:

Bayly International Corp.
Baysales, Inc.
Baywood Transport, Inc.
Waco Apparel, Inc.
Bayly Mexicana, S.A. de C.V.
Bayly de Nicaragua
Chutes Corporation

Transfer Agent(s):

Bank of America, N.T. & S.A.
55 Hawthorne Street
San Francisco, California 94105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BAYL (NASDAQ)

Sales & Earnings

	Net Sales +	Net Income
1987	\$ 192,112,000	\$ (15,965,000)
1986	173,832,000	2,528,000
1985	145,195,000	(598,000)
1984	119,829,000	1,194,000
1983	93,261,000	3,204,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	2,375,000	\$ —
1986	2,394,000	1.06
1985	2,401,000	—
1984	2,435,000	0.49
1983	2,409,000	1.33

(Loss)

+ Of continuing operations only.

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1987	\$ 0.12	—	—
1986	0.12	—	—
1985	0.12	—	—
1984	0.12	—	—
1983	0.07	—	4-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	\$ 5,996,000	\$ 2.52
1986	24,527,000	10.25
1985	24,522,000	10.21
1984	25,292,000	10.39
1983	23,996,000	9.96

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Oct. 31	1987	1986
Net sales	\$ 192,112,000	\$ 173,832,000
Other income	1,013,000	180,000
Total income	\$ 193,125,000	\$ 174,012,000

Cost of sales	146,519,000	118,218,000
Expenses	53,533,000	41,011,000
Shipping exp.	5,429,000	4,519,000
Interest expense	4,476,000	2,804,000

Income (loss) bef. taxes	\$ (16,832,000)	\$ 7,460,000
Income taxes (credit)	(2,998,000)	3,615,000
Minority interest	46,000	—

Inc. (loss)-cont. oper.	\$ (13,880,000)	\$ 3,845,000
Loss-discont. oper.	(2,085,000)	(1,317,000)

Net Income (Loss)	\$ (15,965,000)	\$ 2,528,000
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* Included in Costs and Expenses, Depreciation and Amortization: \$4,565,000 in 1987 and \$3,757,000 in 1986.

Assets

As of Oct. 31	1987	1986
Cash & cert. of deposit	\$ 821,000	\$ 3,989,000
Acct. receiv., net	26,124,000	19,821,000
Refundable taxes	3,381,000	1,403,000
*Inventories	34,032,000	34,127,000
Def. inc. tax benefits	—	270,000
Prepaid expenses	392,000	1,185,000
Net assets-discont. oper.	—	3,181,000
Current Assets	\$ 64,750,000	\$ 63,976,000
#Fixed assets	9,153,000	9,145,000
Licensing agreements	2,005,000	4,006,000
Note receiv.	1,269,000	—
Other assets	4,150,000	6,176,000
Net assets-discont. oper.	—	1,095,000
Total Assets	\$ 79,317,000	\$ 78,333,000

Liabilities

Cash overdraft	\$ 1,329,000	\$ —
Notes payable	21,438,000	18,269,000
Long-term debt, curr.	957,000	2,185,000
Accts. payable	19,269,000	14,824,000
Accruals	7,175,000	7,834,000
Deferred revenue	970,000	—
Curr. Liabilities	\$ 51,138,000	\$ 43,112,000
Long-term debt	22,160,000	9,370,000
Deferred inc. taxes	—	1,324,000
Minority interest	23,000	—
+Common stock	2,816,000	2,816,000
Add. paid-in capital	852,000	718,000
Retained earnings	7,098,000	25,913,000
Treasury stock	(4,770,000)	(4,920,000)
Total Liabilities & Shareholders' Equity	\$ 79,317,000	\$ 78,333,000

* At lower of cost (LIFO) or market.

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

%Net Income to Equity	—	10.31
Sales to Inventories	5.65	5.09
Debt to Equity	7.43	1.22
Working Capital	\$ 13,612,000	\$ 20,864,000
Current Ratio	1.27	1.48
Shareholders' Equity	\$ 5,996,000	\$ 24,527,000

Becton, Dickinson and Company

One Becton Drive
Franklin Lakes, New Jersey 07417-1880
(201) 848-6800

Officers: Wesley J. Howe, chairman of the board; Raymond V. Gilmartin, president & chief exec. officer; Robert G. Butler, secretary; John W. Galiardo, v.p. & general counsel; Donald S. Hetzel, v.p.-research & development; Mark H. Borofsky, v.p.-taxes; Edward R. Duffie, Jr., v.p.-advanced business development; E. Ralph Biggadike, group

Becton, Dickinson and Company

president; Nagesh S. Mhatre, vice president; Robert A. Reynolds, v.p.-finance & controller; James W. Hulse, v.p.-quality and regulatory affairs; James R. Wessel, v.p.-human resources; Paul Creager, group president; Clateo Castellini, sector president-international; Herbert B. Morote, sector president-medical; Walter M. Miller, sector president-diagnostic; Alfred J. Battaglia, group president; Kenneth R. Weishaar, v.p.-corp. planning, performance & development.

Directors: Wesley J. Howe*, chairman; Henry P. Becton, Jr., Harry N. Beatty, Raymond V. Gilmartin*, Robert W. Haack, Richard W. Hanselman*, William B. Macomber, Frank A. Olsen, Gerald M. Edelman*, Raymond S. Troubh*, Thomas A. Holmes*, Gloria M. Shatto.

* Member of the Executive Committee

Business Activities: In the textile area, the Company manufactures and markets examination, medical and surgical gloves.

Textile Divisions and Subsidiaries:

Deseret Medical

Manufactures specialty surgical gloves and other surgical products.

Becton Dickinson Division

Manufactures stretch vinyl medical gloves.

Transfer Agent(s):

First Chicago Trust Co. of N.Y.
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: BDX

Sales & Earnings

	Net Sales (000's)	Net Income + (000's)
1988	\$ 1,709,368	\$ 161,943
1987	1,462,882	148,164
1986	1,203,943	121,930
1985	1,044,366	88,002
1984	1,029,620	63,403
	No. of Com. Shares ‡	Earn. per Share + ‡
1988	40,401,000	\$ 4.01
1987	41,548,000	3.57
1986	42,903,000	2.85
1985	42,338,000	2.10
1984	42,454,000	1.52

+ Of continuing operations only.

+ Including extraordinary gains of \$6,345,000 (\$0.15 per share) in 1987 and \$10,017,000 (\$0.23 per share) in 1986.

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business (000's)

	1988	1987
Medical	\$ 920,958	\$ 708,587
Diagnostic	541,924	454,846
Total	\$ 1,462,882	\$ 1,163,433

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 0.86	—	—
1987	0.74	—	—
1986	0.66	—	2-for-1
1985	0.60	—	—
1984	0.58	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share +
1988	\$ 959,803	\$ 24.33
1987	861,284	21.62
1986	803,925	19.62
1985	681,052	16.82
1984	606,775	15.03

+ Adjusted to reflect stock split.

Income Account * (000's)

Year ended Sept. 30	1988	1987
Net sales	\$ 1,709,368	\$ 1,462,882
Cost of sales	914,318	778,267
Expenses	556,009	477,809
Restruct. costs	(24,514)	(16,946)
Interest income	62,171	71,360
Interest expense	(4,868)	(42,707)
Income before taxes	\$ 206,252	\$ 187,999
Income taxes	57,396	57,398
Inc.-cont. oper.	\$ 148,856	\$ 130,601
Inc.-discont. oper.	13,087	11,218
Net Income	\$ 161,943	\$ 141,819
Extraord. gain	—	6,345
Net Income & extraord. gain	\$ 161,943	\$ 148,164

* Included in Costs and Expenses, Depreciation and Amortization: \$109,217,000 in 1988 and \$91,911,000 in 1987.

Assets (000's)

As of Sept. 30	1988	1987
Cash & short term invest.	\$ 123,498	\$ 202,598
Receivables, net	339,418	295,835
*Inventories	356,425	305,065
Prepaid expenses	63,651	38,806
Current Assets	\$ 882,992	\$ 842,304
Investments	3,300	41,327
#Fixed assets	925,447	754,872
Intangibles & other assets	255,794	252,975
Total Assets	\$ 2,067,533	\$ 1,891,478

Liabilities (000's)

	1988	1987
Long-term debt, curr.	\$ 189,204	\$ 182,585
Accts. payable & other liabilities	336,567	310,431
Curr. Liabilities	\$ 525,771	\$ 493,016
Long-term debt	499,969	479,559
Deferred inc. taxes	81,990	57,619
+Common stock	42,674	42,674
Add. paid-in capital	143,090	141,655
Foreign curr. trans. adj.	(20,545)	(16,094)
Retained earnings	951,304	823,276
Treasury stock	(156,720)	(130,227)
Total Liabilities & Shareholders' Equity	\$ 2,067,533	\$ 1,891,478

* At lower of cost (LIFO) or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

%Net Income to Equity	16.87	16.47
Sales to Inventories	4.80	4.80
Debt to Equity	0.72	0.77
Working Capital	\$ 357,221,000	\$ 349,288,000
Current Ratio	1.68	1.71
Shareholders' Equity	\$ 959,803,000	\$ 861,284,000

Beeba's Creations, Inc.

9220 Activity Road
San Diego, California 92126
(619) 549-2922

Officers: Arjun C. Waney, chairman & chief executive officer; Steven P. Wyandt, president & chief operating officer; Thomas P. Baumann, v.p., chief financial officer & asst. secretary; John R. Valkus, treasurer; Linda K. Maskovich, secretary.

Directors: Arjun C. Waney, chairman; Luther A. Henderson, Eugene B. Price, II, Terrance M. Gill, Richard A. Rowland, Christopher A. Crane.

Business Activities: The Company is a wholesale importer and distributor of women's sportswear manufactured to its specifications and distributed in the United States under Company brand labels and private retailer labels.

Trademarks and/or Brand Names: Pinot Noir, In Short, Avocado, Khazana, Transformer, Body Drama, Sudden Impact, Ulterior Motives, Activity Road, Chez T, Body Tease.

Divisions:

Beeba's Division

Markets women's woven blouses, shirts and unlined jackets in the popular-priced segment of the Junior market (ages 18 to 28).

In Short Division

Specializes in shorts, rompers, jumpsuits, skirts and dresses for the Junior market.

Khazana Division

Produces a full line of woven and knit garments for the Missy market (ages 28 to 48).

Transformer Division

Markets knit tops for Juniors, including sweaters, sweat-shirts, T-shirts and tank tops.

Body Drama Division

Specializes in loungewear and intimate apparel.

Ulterior Motives Division

Markets dresses for the Junior market.

Subsidiary:

Devika Imports, Inc. (87.5%-owned)

A U.S. corporation with an exclusive production contract with a Mexican manufacturing facility.

Transfer Agent(s):

California First Bank
8155 Mercury Court
P.O. Box 2529
San Diego, California 92112

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BEBA (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1988	\$ 102,404,000	\$ (4,080,000)
1987	107,601,000	4,106,000
1986	94,031,000	3,210,000
1985	46,436,000	1,762,000
1984	33,936,000	1,085,000

	No. of Com. Shares	Earn. per Share ‡
1988	4,599,000	\$ —
1987	4,914,000	1.01
1986	3,870,000	0.93
1985	2,365,000	0.77
1984	2,279,000	0.48

(Loss)

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 0.06	—	—
1987	—	—	—
1986	—	—	—
1985	—	—	—
1984	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 41,070,000	\$ 8.93
1987	48,395,000	9.85
1986	25,571,000	6.61
1985	5,340,000	2.26
1984	3,366,000	1.48

Income Account *

Year ended Aug. 31	1988	1987
Net sales	\$ 102,403,551	\$ 107,600,961
Cost of sales	82,621,826	81,877,141
Expenses	19,417,266	17,085,450
Profit sharing plan	183,317	485,535
Interest expense	73,477	250,084
Interest income	(591,457)	(268,203)
Loss on market secur.	579,913	—
Loss on investments	6,302,058	—
Incl. (loss) bef. taxes	\$ (6,182,849)	\$ 8,170,954
Income taxes (credit)	(2,102,411)	4,073,161
Minority interest	—	(8,082)
Net Income (Loss)	\$ (4,080,438)	\$ 4,105,875

* Included in Costs and Expenses, Depreciation and Amortization: \$433,374 in 1988 and \$288,390 in 1987.

Assets

As of Aug. 31	1988	1987
Cash	\$ 6,853,672	\$ 14,430,750
Accts. receiv., net	20,415,479	26,163,051
*Inventories	19,506,373	13,360,221
Deferred inc. taxes	876,816	1,198,022
Other curr. assets	385,369	504,715
Current Assets	\$ 48,037,709	\$ 55,646,759
#Fixed assets	963,210	1,465,326
Def. inc. taxes	1,087,064	—
Other assets	1,018,282	811,545
Total Assets	\$ 51,106,265	\$ 57,923,630
Liabilities		
Notes payable	\$ 347,557	\$ 537,134
Accts. payable & accruals	7,983,788	8,364,017
Income taxes	—	635,859
Curr. Liabilities	\$ 8,331,345	\$ 9,537,010
Minority interest	—	(8,082)
Other liabilities	1,704,986	—
+Common stock	33,144,446	36,110,453
Retained earnings	7,925,488	12,284,249
Total Liabilities & Shareholders' Equity	\$ 51,106,265	\$ 57,923,630

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	7.59
%Net Income to Sales	—	3.82
%Net Income to Equity	—	8.48
Sales to Inventories	5.25	8.05
Debt to Equity	0.01	0.01
Working Capital	\$ 39,706,364	\$ 46,109,749
Current Ratio	5.77	5.83
Shareholders' Equity	\$ 41,069,934	\$ 48,394,702

Belding Heminway Company, Inc.

1430 Broadway
New York, New York 10018
(212) 944-6040

Officers: Richard Hausman, chairman of the board & chief executive officer; Samuel Hausman, vice chairman; Jack Hausman, vice chairman; Leo Hausman, vice chairman; Robert H. Brown, president & chief operating officer; Bruce Hausman, sr. v.p.; Ronald V. Kaplan, v.p. & treasurer; Charles J. Palermo, v.p. & controller; Bruce Klein, v.p., secretary & corporate counsel; Richard F. Burke, v.p.; Alan B. Sorrell, v.p.

Directors: Richard D. Hausman*, chairman; Jack Hausman, Leo Hausman*, Samuel Hausman*, Bernard Hellman, Richard T. Kropf*, Robert H. Brown*, Martin C. Hausman, Richard Hausman*, Bruce Hausman*, Alan B. Sorrell, Louis J. Lefkowitz*, Bernard Herrmann, John W. Kluge*, Ray C. Adam*.

* Member of the Executive Committee

Business Activities: Engaged in the production and sale of home sewing products, including threads, buttons, notions, zippers, sewing aids, and materials for embroidery, knitting, crocheting and hand weaving. Produces industrial threads and yarns as well as decorative fabrics sold principally to manufacturers of draperies, luggage and bedspreads. The Company also invests in real estate partnerships.

Trademarks and/or Brand Names: Le Chic, La Mode, Le Bouton, Costumaker, Permafrost, My Favorite Things, Loving Touch, Corticelli, Lily, Penn, Le Petite, Classic, Boutique.

Plant Location(s): Watertown & Putnam, Conn., Elizabeth, N.J.; Hendersonville & Spindale, N.C.; Emporia, Va., Lansing, Iowa.

Divisions:

Industrial Division
Consumer Products Division
Real Estate

Subsidiaries:

B. Blumenthal & Co., Inc.
Belding Chemical Industries, Inc.
Belding Hausman, Inc.
Belding Real Estate Corporation
Belding International Corporation
Corticelli Real Estate Corporation
The Elmore Corporation
Interstate Cellular Network, Inc.
Pentapco, Inc.
Southampton Textile Company, Inc.
The Heminway & Bartlett Manufacturing Company
Lansing Company, Inc.

Transfer Agent(s):

Registrar & Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): New York

Ticker Symbol: BHY

Sales & Earnings

	Net Sales	Net Income
1988	\$ 151,352,000	\$ 6,040,000
1987	146,445,000	5,192,000
1986	121,004,000	3,737,000
1985	113,202,000	4,311,000
1984	124,082,000	5,001,000

No. of Com. Shares †

Earn. per Share †

1988	2,138,081	\$ 2.82
1987	2,343,928	2.22
1986	2,599,636	1.44
1985	2,758,828	1.56
1984	2,815,287	1.78

† Based on the average number of shares outstanding.

Revenues by Line of Business (000's)

	1988	1987
Industrial division	\$ 100,331	\$ 96,579
Consumer prod. division	51,021	49,866
Total	\$ 151,352	\$ 146,445

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 0.49	—	—
1987	0.50	—	—
1986	0.40	—	—
1985	0.40	—	—
1984	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 43,734,000	\$ 20.45
1987	41,674,000	17.78
1986	45,764,000	17.60
1985	47,041,000	17.05
1984	45,508,000	16.16

‡ Based on the average number of shares outstanding.

Income Account (000's)

Year ended	1988	1987
Dec. 31		
Net sales	\$ 151,352	\$ 146,445
Cost of sales	101,027	96,894
Expenses	38,017	37,610
Depreciation & amortization	3,032	2,731
Interest expense	3,198	2,546
Eq. in earn. of rl. est. partner.	(720)	(466)
Gain on sale of invest.	(65)	(904)
Other income	(977)	(458)
Income before taxes	\$ 7,840	\$ 8,492
Income taxes	1,800	3,300
Net Income	\$ 6,040	\$ 5,192

Assets (000's)

As of Dec. 31	1988	1987
Cash	\$ 3,199	\$ 10,171
Accts. receiv., net	26,793	25,270
*Inventories	29,981	27,987
Other curr. assets	3,104	2,418
Current Assets	\$ 63,077	\$ 65,846
#Fixed assets	17,177	12,101
Invest. in real est. partnerships	12,318	12,498
Other assets & defer. charges	1,034	1,157
Intangibles	1,982	1,766
Total Assets	\$ 95,588	\$ 93,368

Beiding Heminway Company, Inc.

	Liabilities (000's)	
Notes pay. & bank loans	\$ 250	\$ 250
Long-term debt & capital lease oblig. curr.	2,542	501
Accts. payable	4,505	4,162
Accruals	11,851	9,495
Income taxes	285	2,089
Curr. liabilities	\$ 19,433	\$ 16,497
Investments	1,629	1,838
Long-term debt	28,805	31,195
Deferred inc. taxes	1,711	1,876
Other liabilities	276	288
+ Common stock	3,605	3,605
Add. paid-in capital	14,072	13,812
Retained earnings	49,866	44,845
Treasury stock	(23,809)	(20,588)
Total Liabilities & Shareholders' Equity	\$ 95,588	\$ 93,368

* At lower of cost (principally average or LIFO) or market.
 ‡ Less accumulated depreciation and amortization.
 + \$1 par value.

Statistical Summary		
% Income bef. Taxes to Sales	5.18	5.80
% Net Income to Sales	3.99	3.55
% Net Income to Equity	13.81	12.46
Sales to Inventories	5.05	5.23
Debt to Equity	0.72	0.77
Working Capital	\$ 43,644,000	\$ 49,349,000
Current Ratio	3.25	3.99
Shareholders' Equity	\$ 43,734,000	\$ 41,674,000

Bemis Company, Inc.

800 Northstar Center
 Minneapolis, Minnesota 55402
 (612) 340-6000

Officers: Howard J. Curler, chairman & chief executive officer; John H. Roe, president & chief operating officer; Edwin S. McBride, exec. v.p.; Scott W. Johnson, v.p., secretary & general counsel; LeRoy F. Bazany, v.p. & controller; Lisa Locken, asst. secretary & director of corporate communications; Benjamin R. Field, III, v.p. & treasurer; Leon A. Droll, v.p.-operations.

Directors: Edwin S. McBride*, Edward W. Asplin*, E. Thomas Binger*, John N. Dempsey, Howard J. Curler*, Winston R. Wallin, John H. Roe*, Nancy Parsons McDonald, Robert A. Greenkorn, Robert F. Zicarelli*, William N. Wray.

* Member of the Executive Committee

Business Activities: Supplier of packaging products, pressure sensitive adhesives, nonwoven fabrics, lithographic plates, chemicals and plate processing equipment, coated and laminated products, packaging machinery.

Divisions and Subsidiaries:

Packaging

Curwood, Inc.
 New London, Wisconsin
 Coated, laminated and printed roll stock and pouches; packaging machinery.

Curwood Packaging (Canada), Ltd.
 Georgetown, Ontario, Canada
 Printed, laminated, multi-layer and coated plastic, foil and paper packaging materials.

Bemistape
 Oshkosh, Wisconsin
 Pressure-sensitive and heat-sealing packaging tapes.

Hemis Converted Films
 Oshkosh, Wisconsin

Custom Resins, Inc.
 Henderson, Kentucky
 Manufacture of nylon 6 resin for films, injection-molding and coatings.

Lustour Corp.
 Murphysboro, Illinois
 Rotogravure-printed and embossed labels and wrappers; laminated packaging films.

MacKay/Gravure Systems, Inc.
 Louisville & Florence, Kentucky
 Photoengraving of rotogravure cylinders.

Accraply, Inc.
 Minnetonka, Minnesota
 Manufacture of pressure-sensitive labeling equipment and pressure-sensitive labels.

Film Division
 Flemington, New Jersey
 Terre Haute, Indiana
 Union City, California
 Consumer-size and industrial polyethylene bags, film, liner and roll stock.

Bemis Packaging Service Machinery Company
 Minneapolis, Minnesota
 Bag weighing, filling, closing and conveying equipment; corrugated case loading, sealing and imprinting equipment, insulation fabricating and packaging units.

Master Palletizer Systems, Inc.
 Englewood, Colorado

Hayssen Manufacturing Co.
 Sheboygan, Wisconsin
 Spartanburg, South Carolina
 Fill seal systems and blow molding machinery.

Hayssen Europa, Ltd.
 Thetford, England
 Form-fill-seal systems; blow molding equipment.

Hayssen Europa s.r.l.
 Zingonia, Italy
 Form-fill-seal systems; bundling machinery.

Bemis Machinery Co.
 Green Bay, Wisconsin
 Powder and liquid filling and capping equipment.

Mankato Corp.
 Mankato, Minnesota
 Cartons and specialty packaging.

Louisiana Plastics, Inc.
 Louisiana & Earth City, Missouri
 Panama City, Florida
 Injection-molded plastic containers.

Bemis Craftfil, S.A. (49% owned)
 Matehuala, Mexico
 Open-mesh fabrics and bags; specialty products.

Bemis Maral S.A.
 San Luis Potosi, Mexico
 Industrial Products

MACtac (Morgan Adhesives Company) (87%-owned)
 Stow, Ohio
 Pressure-sensitive adhesive print stock, decorative trim, reflective products and industrial fastening systems; label-applying equipment.

MACtac Europe S.A.
 Soignies, Belgium

MACtac Canada Ltd./Ltee.
 Brampton, Ontario, Canada

MACtac Mexico, S.A. (Affiliate)
 San Luis Potosi, Mexico

I.C.T. (Integrated Converting Technologies)
 Sandusky, Ohio

Label Resources
 Minneapolis, Minnesota

Sacknet Products, Inc.
 Grand Rapids & Sterling Heights, Michigan
 Statesville, North Carolina
 Los Angeles, California
 Albion, Indiana, Verona, Mississippi
 Automotive and furniture padding, components and trim; extruded vinyl moldings and shapes; specialty woven products.

Transfer Agent(s):

Norwest Bank of Minnesota, N.A.
 161 North Concord Exchange
 P.O. Box 738
 South St. Paul/Minneapolis, Minnesota 55075

Stock Exchange(s): New York

Ticker Symbol: BMS

Sales & Earnings

	Net Sales +	Net Income
1988	\$ 1,069,100,000	\$ 39,600,000
1987	930,000,000	32,000,000
1986	864,700,000	23,600,000
1985	787,000,000	23,000,000
1984	779,300,000	18,100,000
	No. of Com. Shares #	Earn. per Share #
1988	26,745,476	\$ 1.48
1987	27,206,652	1.18
1986	27,685,066	0.93
1985	28,055,340	0.81
1984	28,197,868	0.64

+ Of continuing operations only.
 # Based on the average number of shares outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1988	1987
Packaging	\$ 770,100,000	\$ 642,500,000
Specialty coated & graphics	300,600,000	289,000,000
Intersegment	(1,600,000)	(1,500,000)
Total	\$ 1,069,100,000	\$ 930,000,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1987	\$ 0.36	—	2-for-1
1986	0.30	—	—
1985	0.25	—	2-for-1 ‡
1984	0.22	—	—
1983	0.20	—	2-for-1

† Adjusted to reflect stock splits.
 ‡ Declared Feb. 4, 1986.

Common Stock Equity

	Total Equity	Equity Per Share †
1988	\$ 237,400,000	\$ 9.48
1987	216,200,000	8.66
1986	194,000,000	7.34
1985	183,900,000	7.14
1984	175,000,000	6.53

† Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 1,069,050	\$ 929,995
Cost of sales	831,599	718,863
Expenses	153,988	143,625
Minority interest	3,258	2,265
Interest expense	11,615	9,270
Other expense	3,144	1,557
Income before taxes	\$ 65,446	\$ 54,615
Income taxes	25,800	22,650
Net Income	\$ 39,646	\$ 31,965

* Included in Costs and Expenses, Depreciation and Amortization: \$30,724,000 in 1987 and \$27,720,000 in 1986.

Assets
(000's)

As of Dec. 31	1988	1987
Cash	\$ 1,247	\$ 77
Accts. receiv., net	148,254	131,249
*Inventories	135,837	125,467
Prepaid expenses	17,176	18,674
Current Assets	\$ 302,514	\$ 275,467
# Fixed assets	282,309	258,944
Other assets	10,219	10,897
Total Assets	\$ 595,042	\$ 545,308

Liabilities
(000's)

Notes payable	\$ 2,437	\$ 4,366
Long-term debt, curr.	5,469	5,774
Accts. payable	115,257	111,169
Accrued payroll	26,811	20,608
Accrued income taxes	9,251	6,478
Other accrued taxes	7,039	8,308
Curr. Liabilities	\$ 166,264	\$ 156,703
Long-term debt	119,562	101,713
Minority interest	16,648	13,507
Deferred inc. taxes	45,864	45,552
Other liabilities	9,311	11,636
+Common stock	2,890	2,818
Add. paid-in capital	91,679	82,601
Retained earnings	252,894	224,387
Cumulative translation adjust.	4,197	4,032
Treasury stock	(114,267)	(97,641)
Total Liabilities & Shareholders' Equity	\$ 595,042	\$ 545,308

* At lower of cost or market; domestic inventories at LIFO, foreign at FIFO.
Less accumulated depreciation and amortization.
+ \$0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.12	5.87
%Net Income to Sales	3.71	3.44
%Net Income to Equity	16.70	14.79
Sales to Inventories	7.87	7.41
Debt to Equity	0.54	0.52
Working Capital	\$ 136,250,000	\$ 118,764,000
Current Ratio	1.82	1.76
Shareholders' Equity	\$ 237,393,000	\$ 216,197,000

Officers: Warren E. Buffett, chairman of the board & chief executive officer; Charles T. Munger, vice chairman; Robert H. Bird, v.p.; J. William Scott, v.p.; Michael A. Goldberg, v.p.; Stanford Lipsey, v.p.; J. Verne McKenzie, v.p. & secretary; Marc D. Hamburg, treasurer; Daniel J. Jaksich, controller.

Directors: Warren E. Buffett, chairman; Charles T. Munger, Kenneth V. Chace, Malcom G. Chace, Jr., J. Verne McKenzie, Walter Scott, Jr..

Business Activities: Through The Fechheimer Brothers Company, an 84%-owned subsidiary, the Company manufactures and distributes uniforms. Also operates Nebraska Furniture Mart, Inc., a large home furnishings retail store located in Omaha, Nebraska; Borsheim's, a large jewelry store also located in Omaha, Nebraska; and See's Candy Shops, Inc., a chain of over 200 retail candy shops in the West and Midwest. Also, through subsidiaries, the company is engaged in the underwriting of property and casualty insurance, the trading stamps business, the newspaper business, the manufacture and marketing of vacuum cleaners and related accessories, and the marketing of educational books.

Divisions and Subsidiaries:

The Fechheimer Brothers Company
Cincinnati, Ohio
Manufactures and distributes uniforms.

National Indemnity Company
3024 Harney Street
Omaha, Nebraska 68131

National Fire and Marine Insurance Co.
3024 Harney Street
Omaha, Nebraska 68131

Columbia Insurance Company
3024 Harney Street
Omaha, Nebraska 68131

Cornhusker Casualty Co.
3035 Harney Street
Omaha, Nebraska 68131

Kansas Fire & Casualty Co.
Topeka, Kansas

Continental Divide Insurance Co.
Inglewood, Colorado

Lakeland Fire and Casualty Co.
6700 France Avenue South
Minneapolis, Minnesota 55435

Insurance Co. of Iowa
1228-8th Street
West Des Moines, Iowa 50265

Texas United Insurance Co.
1802 N E Loop 410
San Antonio, Texas 78217

Home and Automobile Insurance Co.
209 West Jackson Boulevard
Chicago, Illinois 60606

Cypress Insurance Company
Pasadena, California

See's Candy Shops, Inc.
Operates over 200 retail stores in 12 western and mid-western states, offering boxed chocolates and other confectionary items that it manufactures.

Wesco Financial Corporation (80.1% owned)
315 E. Colorado Boulevard
Pasadena, California 91109

Illinois National Bank & Trust Co. of Rockford (98% owned)
228 Main Street
Rockford, Illinois 61101

Sun Newspapers, Inc.
900 S. 74 Plaza, Suite 400
Omaha, Nebraska 68114

Blue Chip Stamps
5801 South Eastern Avenue
Los Angeles, California 90040

Precision Steel Warehouse, Inc. (80% owned)
Franklin Park, Illinois

Nebraska Furniture Mart (90% owned)
Omaha, Nebraska
Operates a discount furniture store in Omaha, Nebraska.

Borsheim's
Omaha, Nebraska
Operates a large jewelry store in Omaha, Nebraska.

The Scott & Fetzer Company
Westlake, Ohio

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: BRK

Sales & Earnings

	Revenues ‡	Net Income
1988	\$ 2,333,222,000	\$ 399,270,000
1987	2,402,944,000	234,552,000
1986	2,231,444,000	282,361,000
1985	968,583,000	435,815,000
1984	747,252,000	148,895,000
	No. of Com. Shares	Earn. per Share +
1988	1,146,000	\$ 348.23
1987	1,147,000	204.51
1986	1,147,000	246.19
1985	1,147,000	379.99
1984	1,147,000	129.82

‡ Revenues include insurance premiums, sales and service revenues, and interest and dividend income.
+ Based on the average number of shares outstanding.

Revenues by Line of Business
(000's)

	1988	1987
Insurance	\$ 816,142	\$ 977,890
Candy	168,166	157,391
Retailing of home furn.	152,541	145,997
Newspaper	131,664	122,955
Encyclopedias	337,990	323,772
Home cleaning prods.	144,145	129,678
Uniform mfg. & distr.	92,514	74,734
Other	490,060	468,527
Total	\$ 2,333,222	\$ 2,402,944

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 3,410,108,000	\$ 2,975.66
1987	2,841,659,000	2,477.47
1986	2,377,797,000	2,073.06
1985	1,885,330,000	1,643.71
1984	1,271,761,000	1,108.77

Income Account *
(000's)

Year ended Dec. 31	1988	1987
Sales & service rev.	\$ 1,407,642	\$ 1,326,829
Insurance prem. earned	584,235	824,895
Int. & dividend income	314,251	237,119
Other income	27,094	13,901
Revenues	\$ 2,333,222	\$ 2,402,944

Berkshire Hathaway Inc.

1440 Kiewit Plaza
Omaha, Nebraska 68131
(402) 346-1400

Berkshire Hathaway Inc.

Cost of prods. & serv. sold	753,845	705,203
Expenses	495,331	488,307
Insurance losses	437,695	661,146
Insurance underwriting expenses	157,621	219,178
Interest expense	70,280	47,437
Income before taxes	\$ 418,450	\$ 281,673
Income taxes	96,599	60,771
Minority interest	8,410	6,156
Real invest. gain	(85,829)	(19,806)
Net Income	\$ 399,270	\$ 234,552

* Included in Costs and Expenses, Depreciation and Amortization \$29,808,000 in 1988 and \$29,683,000 in 1987.

As of Dec. 31	1988	1987
Cash	\$ 256,081	\$ 231,962
Accts. receiv., net	579,910	577,949
Investments	5,374,045	4,434,090
*Inventories	167,293	154,288
*Fixed assets	196,390	202,459
Other assets	114,735	138,292
Goodwill	121,394	124,195
Total Assets	\$ 6,816,848	\$ 5,863,235

Liabilities (000's)	1988	1987
Long-term debt	\$ 480,009	\$ 289,886
Losses & loss adj. expenses	1,407,189	1,260,422
Unearned premiums	241,818	341,344
Savings accounts	286,909	286,211
Accts. payable, accruals & other liab.	325,514	280,088
Income taxes	598,905	506,499
Min. shareholders' int.	66,396	57,126
+Common stock	6,876	6,876
Add. paid-in capital	157,377	157,377
Apprec. of eq. securities	1,274,657	1,104,123
Retained earnings	2,013,491	1,614,221
Treasury stock	(42,293)	(40,938)
Total Liabilities & Shareholders' Equity	\$ 6,816,848	\$ 5,863,235

* At lower of cost (primarily LIFO) or market. Remainder at FIFO or average.
Less accumulated depreciation and amortization.
+ \$5 par value.

Statistical Summary		
%Income bef. Taxes to Revenues	17.93	11.72
%Net Income to Revenues	17.11	9.76
%Net Income to Equity	11.71	8.25
Debt to Equity	0.14	0.10
Shareholders' Equity	\$ 3,410,108,000	\$ 2,841,659,000

Bernard Chaus, Inc.

1410 Broadway
New York, New York 10018
(212) 354-1280

Officers: Bernard Chaus, chairman of the board & chief exec. officer; Josephine Chaus, president & vice chairman; Anthony M. Pisano, exec. v.p.-finance & administration, chief financial officer & secretary; John F. Consolini, exec. v.p. & chief operating officer; Steven M. Somers, exec. v.p.-sales; Anthony J. Faruse, treasurer.

Directors: Bernard Chaus, chairman; Josephine Chaus, Irwin Jay Robinson, Daniel Rosenbloom, John F. Consolini, Anthony M. Pisano.

Business Activities: Designs, arranges for the manufacture of, and markets moderately priced women's sportswear, blouses and dresses, for the business environment as well as for leisure and active wear.

Trademarks and/or Brand Names: Chaus, Josephine, Chaus Woman, Chaus Petite, Josephine Woman, Josephine Petite, Ms Chaus, Josephine Chaus, Ms Chaus Petite, Chaus Sport, Chaus Petite Sport, Chaus Woman Sport.

Subsidiaries:

Bernard Chaus International (Hong Kong), Inc.
Bernard Chaus International (Korea), Inc.
Bernard Chaus International (Philippines), Inc.
Bernard Chaus International (Taiwan), Inc.
Chaus Retail Outlet of Branford, Inc.
Chaus Retail Outlet of Flemington, Inc.
Chaus Retail Outlet of New Bedford, Inc.
Chaus Retail Outlet of Burlington, Inc.
Chaus Retail Outlet of Rensselaer, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Company
P.O. Box 24935
Church Street Station
New York, New York 10249

Stock Exchange(s): New York

Ticker Symbol: CHS

Sales & Earnings		
	Net Sales	Net Income
1988	\$ 272,231,801	\$ (10,898,291)
1987	333,881,000	13,267,192
1986	278,823,000	35,334,340
1985	190,713,000	(234,081)
1984	155,310,000	12,906,001
	No. of Com. Shares	Earn. per Share
1988	18,690,500	\$ —
1987	18,625,000	0.72
1986	16,225,000	1.22
1985	16,225,000	0.01
1984	16,225,000	0.53

(Loss)

† Pro forma.

‡ Based on the weighted average number of common shares outstanding during the year.

Common Stock Equity		
	Total Equity	Equity per Share
1988	\$ 52,879,326	\$ 2.83
1987	63,680,000	3.42
1986	12,890,000	0.79
1985	16,902,000	1.04
1984	22,885,000	1.41

Income Account*		
Year ended	7/2/88	6/30/87
Net sales	\$ 272,231,801	\$ 333,881,373
Cost of sales	236,156,051	251,757,109
Expenses	34,670,749	51,944,796
Interest expense	2,302,611	2,175,103
Interest income	(184,519)	(540,546)
Other income	(111,407)	(149,622)
Income (loss) bef. taxes	\$ (20,601,684)	\$ 26,694,552
Income taxes (credit)	(9,703,393)	13,427,360
Net Income (Loss)	\$ (10,898,291)	\$ 13,267,192

* Included in Costs and Expenses, Depreciation and Amortization: \$2,537,094 in 1988 and \$1,991,913 in 1987.

Assets		
As of	7/2/88	6/30/87
Cash	\$ 570,132	\$ 1,500,069
Accts. receiv., net	28,452,569	55,876,162
*Inventories	40,148,859	49,680,200
Prepaid expenses	1,477,088	2,136,898
Refund & prepaid inc. taxes	13,154,155	2,702,647
Current Assets	\$ 83,802,803	\$ 111,895,976
*Fixed assets	8,880,370	9,007,382
Other assets	194,318	165,521
Total Assets	\$ 92,877,491	\$ 121,068,879
Liabilities		
Notes payable	\$ —	\$ 14,200,000
Cap. lease oblig., curr.	197,228	175,851
Subord. promissory notes	90,000	5,000,000
Accts. payable	21,349,111	23,297,570
Accruals	3,214,938	4,190,903
Curr. Liabilities	\$ 24,851,277	\$ 46,864,324
Capital lease oblig.	326,888	524,117
Subord. promissory notes	14,820,000	10,000,000
+ Common stock	186,905	186,250
Add. paid-in capital	39,423,899	39,103,617
Deferred compensation	(221,758)	—
Retained earnings	13,490,280	24,388,571
Total Liabilities & Shareholders' Equity	\$ 92,877,491	\$ 121,068,879

* At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ \$0.01 par value.

Statistical Summary		
% Income bef. Taxes to Sales	—	8.00
% Net Income to Sales	—	3.97
% Net Income to Equity	—	20.83
Sales to Inventories	6.78	6.72
Debt to Equity	0.01	0.23
Working Capital	\$ 58,951,526	\$ 65,031,652
Current Ratio	3.37	2.40
Shareholders' Equity	\$ 52,879,326	\$ 63,680,438

Bobbie Brooks, Inc.

3830 Kelley Avenue
Cleveland, Ohio 44114
(216) 881-5300

Officers: Robert H. Kanner, chairman, chief exec. officer & chief financial officer; George J. Hahn, Jr., president & chief operating officer; Stephen R. Kalette, v.p.-administration, secretary & general counsel.

Directors: Robert H. Kanner, chairman; Stephen R. Kalette, Stanley R. Browne.

Business Activities: Through its Main Line Fashions, Inc. subsidiary, the company designs, manufactures and markets women's coats and outerwear under the "Wellington Fashions," "Elegant Fashions" and "Kashmiracle" labels. The Bobbie Brooks International Development Company operates worldwide, largely through licensing arrangements. Through its Kline Brothers Company subsidiary, the Company operates 27 department stores in 11 states. In addition, the Company is engaged in commercial printing activities.

Trademarks and/or Brand Names: Wellington Fashions, Elegant Fashions, Kashmiracle.

Divisions and Subsidiaries:

Main Line Fashions, Inc.
New York, New York

Bobbie Brooks International Development Company
1412 Broadway
New York, New York 10018
Licenses its "Bobbie Brooks," "New Expressions by Bobbie Brooks" and "Present Co. by Bobbie Brooks" trademarks.

Kline Brothers Company
Operates 27 department stores in 11 states under the "Kline's," "Katz's," "Johnson Hill's" and "Weinberg's" trade names.

Tabard/Copley Graphics, Inc.
New York, New York
Commercial printing.

Buxton & Skinner Printing Company
St. Louis, Missouri
Commercial printing.

Transfer Agent(s):

American Stock Transfer & Trust Company
New York, New York

Chase Manhattan Bank
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BBKS (NASDAQ)

Sales & Earnings

	Net Sales †	Net Income ‡
12/31/88	\$ 68,987,000	\$ 4,841,000
12/31/87	16,325,000	323,000
12/31/86	35,914,000	5,556,000
12/31/85	31,058,000	(7,000,000)
4/27/85	64,707,000	(1,395,000)

	No. of Com. Shares	Earn. per Share ‡
12/31/88	12,833,209	\$ 0.40
12/31/87	7,333,209	0.04
12/31/86	7,528,309	0.74
12/31/85	7,465,788	—
4/27/85	5,465,788	—

(Loss)

* 8 months.

† Of continuing operations only.

‡ Including extraordinary credit of \$2,463,000 (\$0.33 per share) in 1986.

Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
12/31/88	\$ 41,012,000	\$ 3.20
12/31/87	11,311,000	1.54
12/31/86	11,267,000	1.50
12/31/85	5,649,000	0.76
4/27/85	10,535,000	1.93

‡ After allowing for preferred stock at stated value.

Income Account *
(000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 68,987	\$ 16,325
Cost of sales	47,392	11,915
Expenses	18,075	4,885
Interest income	(385)	(637)
Interest expense	805	406
Other income	(2,121)	(646)
Income bef. taxes	\$ 5,221	\$ 402
Income taxes	380	79
Net Income	\$ 4,841	\$ 323

* Included in Costs and Expenses, Depreciation and Amortization: \$910,000 in 1988 and \$343,000 in 1987.

Assets
(000's)

As of Dec. 31	1988	1987
Cash	\$ 4,255	\$ 199
Marketable securities	2,241	8,893
Trade receivable:	15,446	3,216
* Inventories	24,985	4,484
Prepaid expenses & other assets	1,652	219
Current Assets	\$ 48,579	\$ 17,001
# Fixed assets	12,892	615
Intangibles	12,114	2,866
Other assets	1,240	808
Total Assets	\$ 74,831	\$ 21,303

Liabilities
(000's)

Long-term debt, curr.	\$ 637	\$ —
Accts. payable	12,666	1,739
Accruals & sundry liabilities	11,530	5,063
Income taxes pay.	122	—
Loan payable-bank	3,000	2,250
Current Liabilities	\$ 27,955	\$ 9,052
Long-term debt	3,621	—
Dividends payable	1,021	—
Deferred credits	1,223	940
+ Preferred stock	1	—
++ Common stock	13	7
Add. paid-in capital	48,083	22,208
Retained earnings (deficit)	(7,084)	(10,904)
(deficit)	(11,227)	(16,783)
Total Liabilities & Shareholders' Equity	\$ 74,833	\$ 21,303

* At lower of cost (average & FIFO) or market.

Less accumulated depreciation.

+ No par value.

++ \$0.001 par value.

Statistical Summary

% Income bef. taxes to Sales	7.57	2.46
% Net Income to Sales	7.02	1.98
% Net Income to Equity	11.80	2.86
Sales to Inventories	2.76	3.64
Debt to Equity	0.10	—
Working Capital	\$ 20,624,000	\$ 7,959,000
Current Ratio	1.74	1.88
Shareholders' Equity	\$ 41,013,000	\$ 11,311,000

Divisions:

Consumer Division

Kewanee, Illinois

Markets "Boss" branded cotton, jersey, leather palm and all leather gloves. Boss lined leather winter gloves, family gloves, and Boss "Ladyfinger" brand garden gloves. Also markets sports gloves for hunting, shooting, ice fishing, trailblazing, camping, skiing, motorcycling, snowmobiling and winter snow sports.

Industrial Division

Kewanee, Illinois

Markets industrial rainwear and protective clothing, boots, industrial work gloves in cotton, leather, leather palm and synthetic materials, rubber gloves, coated gloves, personal safety products, under brand names of "Boss" and "M. L. Snyder".

Sports Division

Kewanee, Illinois

Markets sports gloves for hunting, shooting, ice fishing, trailblazing, camping, skiing, motorcycling, snowmobiling and winter snow sports under the "Blue Ribbon" brand.

Subsidiaries:

Boss Canada Inc.
Woodbridge, Ontario, Canada

Boss De Mexico, S.A.
Juarez, Mexico

Sales & Earnings

	Net Sales †	Net Income
1987	\$ 26,559,000	\$ (720,000)
1986	30,765,000	(2,176,000)
1985	34,793,000	(3,317,000)
1984	37,137,000	(396,000)
1983	39,077,000	(316,000)

	No. of Com. Shares	Earn. per Share ‡
1987	264,354	\$ —
1986	264,354	—
1985	270,834	—
1984	269,909	—
1983	270,502	—

(Loss)

† Of continuing operations only.

‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	\$ —	—	—
1986	—	—	—
1985	—	—	—
1984	—	—	—
1983	0.90	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	\$ 4,773,000	\$ 18.06
1986	5,448,000	20.61
1985	7,732,000	28.55
1984	11,164,000	41.22
1983	11,570,000	42.96

Income Account *
(000's)

Year ended	3/28/87	3/29/86
Net sales	\$ 26,559	\$ 30,765
Cost of sales	20,194	24,274
Expenses	6,414	7,691
Interest expense	824	907
Other expenses (income)	(94)	32
Loss bef. taxes	\$ (779)	\$ (2,159)

Boss Manufacturing Company

(Acquired by American Consumer Products, Inc. in late 1987.)

221 West First Street
Kewanee, Illinois 61443
(309) 852-2131

Officers: Barry F. Kane, president & chief exec. officer; Kenneth A. Fristad, v.p.-operations; James C. Kelley, v.p.-controller; Beverly J. Williams, v.p.-adm. & secretary; Lyle D. Kenaga, v.p.-consumer sales; Douglas H. Lay, v.p.-mfg.; John R. Lee, v.p.-industrial sales.

Directors: Barry F. Kane, John E. Waller, Ellis P. Waller, Milton Falkoff, Alex S. Anderson, III, Kent T. Anderson, E. O. Hand.

Business Activities: Manufactures and markets work and leisure wear gloves, on-the-job safety and personal protection products, and leisure products and outdoor clothing for backpacking, camping and ski wear.

Plant Location(s): El Paso, Texas; Greenville, Ala.; Woodbridge, Ontario, Canada; Juarez, Mexico.

Trademarks and/or Brand Names: Boss, M. L. Snyder, Trailwise, Saska, Ladyfinger, Big Ape, Walloper, Stallion, Blue Ribbon.

Boss Manufacturing Company

Income taxes (credit)	(59)	17
Net Loss	\$ (720)	\$ (2,176)

* Included in Costs and Expenses, Depreciation: \$430,000 in 1987 and \$431,000 in 1986.

	Assets (000's)		
As of	3/28/87	3/29/86	
Cash & cash equiv	\$ 433	\$ 335	
Accs. & notes receiv., net	3,713	4,035	
*Inventories	4,975	6,546	
Other curr. assets	500	504	
Current assets	\$ 9,621	\$ 11,420	
#Fixed Assets	4,539	4,794	
Other assets	173	179	
Total Assets	\$ 14,333	\$ 16,393	

	Liabilities (000's)		
Notes payable & long-term debt, curr.	\$ 3,291	\$ 2,263	
Accs. payable	991	1,891	
Other curr. liab.	881	1,004	
Costs of closing facilities	143	500	
Current Liabilities	\$ 5,306	\$ 5,658	
Long-term debt	4,164	5,136	
Other liabilities	90	151	
+Common stock	3,573	3,573	
Add. paid-in capital	252	252	
Retained earnings	1,559	2,278	
For curr. trans. adjust.	(126)	(170)	
Treasury stock	(485)	(485)	
Total Liabilities & Shareholders' Equity	\$ 14,333	\$ 16,393	

* At lower of cost (LIFO for 79%, remainder FIFO) or market.

Less accumulated depreciation.

+ No par value.

Statistical Summary

Sales to Inventories	5.34	4.70
Debt to Equity	0.87	1.36
Working Capital	\$ 4,315,000	\$ 5,762,000
Current Ratio	1.81	2.02
Shareholders' Equity	\$ 4,773,000	\$ 5,448,000

Bridon plc

Carr Hill, Doncaster
South Yorkshire DN4 8DG, England
(0302) 344010

Directors: Sir Christophor Charles Fraser Laidlaw, chairman; David John Allday, deputy chairman & group managing director; George Edward Armitage, divisional managing director; George Ralph Park, divisional managing director; Graham John Beswick, group finance director; John Brian Clayton, divisional managing director; Derek Edwards, Anthony Charles Raynor Elliott, Roderick Leinster Henry, Richard Michael Ringwald, Robert Scholey, Andrew Christopher Boydell, secretary.

Business Activities: Textile-related products include industrial yarns, textiles, cords and twines, man-made fiber ropes, and special fibers for artificial sports field surfaces.

Selected Subsidiaries (U.K.):

British Ropes Limited
Carr Hill
Doncaster DN4 8DG
(0302) 344010

Wire rope, high carbon and stainless steel wire products.

Bridon Fibres Limited
P.O. Box 3, Dunston
Gateshead NE8 1JG
(091) 4605061
Fiber rope, cordage, agricultural and packaging twines.

Bramley and Wellesley Limited
Gloucester Trading Estate, Hucclecote
Gloucester GL3 4XD
(0452) 619613
Animal control electrified fencing and accessories.

The Bristol Wire Rope Company Limited
Montague Street
Bristol BS1 3NT
(0272) 49361
Small wire ropes.

British Twines Limited
Perseverance Mills, East Ardsley
Wakefield WF3 2BN
(0924) 822257
Specialized cordage and twines.

Danite Hard Metals Limited
P.O. Box 9, Carr Hill
Doncaster DN4 8DJ
(0302) 342294
Hard metal components and dies, precision engineering.

Orkot Engineering Plastics Limited
Unit 1, Barbot Hall Industrial Estate
Mangham Road
Rotherham S62 6EF
(0709) 376044
Laminated plastic products for wear-resistant components.

Speed Seal Products Limited
30 Eben Street
Sheffield S9 1BH
(0742) 431611
Oil and petrochemical quick-acting couplings, tanker loading systems.

The Templeborough Rolling Mills, Limited (50% interest)
P.O. Box 19, Ekin Street
Rotherham S60 1DT
(0709) 378153
Wire rod.

TWIL Limited (40% interest)
P.O. Box 119, Shepcote Lane
Sheffield S9 1TY
(0742) 443388
Mild steel wire and wire products.

Selected Subsidiaries (American):

Wire Rope Industries Limited (20% interest)
5501 Trans Canada Highway
Pointe Claire, Quebec H9R 1B7 Canada
(514) 697-9711
Wire rope and fiber products.

Bridon Dominicana C por A
Apartado Postal 898
Santo Domingo, Dominican Republic
(809) 562-0191
Sale and distribution of Company and other products.

Bridon American Corporation
P.O. Box 6000
Wilkes Barre, Pennsylvania 18773
(717) 822-3349
Wire rope and wire.

Bridon Cordage, Inc.
909 16th Street
Albert Lea, Minnesota 56007
(507) 377-1601
Agricultural twine.

Bridon Elm Inc.
432 Julia Street
New Orleans, Louisiana 70150
(504) 529-5871
Sale and distribution of Company and other products.

International Southwest Sling, Inc.
P.O. Box 5532
Houston, Texas 77262
(713) 926-3131
Sale and distribution of Company and other products.

Subsidiary (Africa):

Nigerian Roper Limited (40% interest)
66/68 Eric Moore Road
P.O. Box 115
Iganmu Industrial Estate
Apapa, Nigeria
(1) 835693
Sale and distribution of Company and other products; wire rope and fiber rope manufacture.

Selected Subsidiaries (Asia, Australia and New Zealand):

Birkmyre Pty. Limited
P.O. Box 276, Seven Hills
New South Wales 2147, Australia
(2) 624-3399
Industrial textile weavers, processors and coaters.

Plastyne
Australia
Industrial textile coating operations.

British Ropes (Hong Kong) Limited
Mee on Industrial Building, Ground Floor
88 King Lam Street
Castle Peak Road
Kowloon, Hong Kong
(3) 7449510
Sale and distribution of Company and other products.

Gourock New Zealand Limited
P.O. Box 3817
40-42 Ireland Street
Auckland 1, New Zealand
(09) 765-181
Sale and distribution of marine, textile and plastics products.

Company Registrar:

Lloyds Bank Plc
Registrar's Department
Goring-by-Sea
Worthing
West Sussex BN12 6DA, England

Stock Exchange(s): London

Sales & Earnings

	Net Sales	Net Income †
1988	£ 212,500,000	£ 9,700,000
1987	196,100,000	4,000,000
1986	187,649,000	6,132,000
1985	208,713,000	11,291,000
1984	187,750,000	8,287,000
	No. of Com. Shares ‡	Earn. per Share † ‡
1988	55,883,035	17.4p
1987	55,603,698	7.2
1986	55,329,215	11.1
1985	55,167,561	20.4
1984	N.A.	13.2

N.A. - Not available.

£ - pound sterling.

† Excluding extraordinary items.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1988	1987
Wire, wire rope & assoc. prods	£ 143,000,000	£ 138,000,000
Fibres	52,400,000	45,400,000
Industrial textiles	9,900,000	6,500,000
Engineering	7,200,000	6,200,000
Total	£ 212,500,000	£ 196,100,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	7.0p	—	—
1987	6.0	—	—
1986	5.5	—	—
1985	5.0	—	—
1984	4.0	—	—

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1988	£ 103,000,000	£ 1.84
1987	78,000,000	1.40
1986	84,913,000	1.53
1985	86,886,000	1.57

† After allowing for preferred stock at stated values.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1988	1987
Net sales	£ 212,500	£ 196,100
Cost of sales	153,100	140,500
Distribution costs	29,600	28,700
Adm. expenses	20,400	19,900
Share of profits of rel. cos.	(7,700)	(5,600)
Group interest	3,700	2,900
Exceptional items	(100)	2,000
Income before taxes	£ 13,500	£ 7,700
Income taxes	3,800	3,700
Net Income	£ 9,700	£ 4,000
Extraord. loss	(300)	(200)
Net Income & extraord. loss	£ 9,400	£ 3,800

* Included in Costs and Expenses. Depreciation: £ 4,100,000 in 1988 and £ 4,100,000 in 1987.

Assets
(000's)

As of Dec. 31	1988	1987
Cash	£ 3,600	£ 5,100
Accts. receiv., net	44,800	39,900
Amts. owed by rel. cos.	200	1,000
Other receivables	2,200	2,400
*Stocks	43,500	37,200
Prepaid expenses	3,400	3,200
Assets held for disposal	1,100	900
Other receiv.-more than one year	300	200
Current Assets	£ 99,100	£ 89,900
Investments	30,700	26,300
*Fixed assets	60,900	30,700
Total Assets	£ 190,700	£ 146,900

Liabilities
(000's)

Long-term debt, curr.	£ 5,800	£ 4,600
Accts. payable	25,900	21,400
Bills of exch.	4,700	4,900
Accruals	7,700	7,900
Amts. owed to rel. cos.	1,600	1,400
Income taxes	8,000	11,300
Pensions	400	300
Proposed dividend	2,800	2,500
Oblig. under fin. leases	700	300
Curr. Liabilities	£ 57,600	£ 54,600
Long-term debt	25,800	11,000
Other payables	200	100
Oblig. under fin. leases	1,200	500
Other liabilities	2,600	2,400
+Preferred stock:		
6% cum. preference	200	200
7% pref. ordinary	100	100
+Common stock	14,000	13,900
Add. paid-in capital	12,100	11,700
Retain. reserve	28,500	7,200
Other reserves	27,200	24,000
Profit and loss acct.	21,200	21,200
Total Liabilities & Shareholders' Equity	£ 190,700	£ 146,900

* At lower of cost and net realizable value.
‡ Less accumulated depreciation.
+ 50p par value.
++ 25p par value.

Statistical Summary

%Income bef. Taxes to Sales	6.35	3.93
%Net Income to Sales	4.56	2.04
%Net Income to Equity	9.39	5.11
Sales to Inventories	4.89	5.27
Debt to Equity	0.31	0.20
Working Capital	\$ 41,500,000	\$ 35,300,000
Current Ratio	1.72	1.65
Shareholders' Equity	£ 103,300,000	£ 78,300,000

Brookwood Companies Incorporated

(formerly Coated Sales, Inc.)

10 East 39th Street
New York, New York 10016
(212) 725-7311

NOTE: The Company is a wholly owned subsidiary of The Hallwood Group Incorporated.

Officers: Michael Weinstein, chairman of the board & chief exec. officer; Ernest Glantz, president; Richard Bober, chief operating officer, executive v.p. & secretary; Bruce M. Bloom, chief financial officer, v.p.-finance & asst. treasurer; Philip I. Kagan, asst. secretary; Amber M. Brookman, v.p.-strategic planning/marketing; Denis Lustig, treasurer.

Directors: Michael Weinstein, chairman; Ernest Glantz, Richard Bober, Philip I. Kagan, Amber M. Brookman, Philip Erard, Bruce M. Bloom.

Business Activities: Develops and produces innovative fabrics and other products through specialized finishing, treating, and coating processes primarily for highly technical industrial use and other special applications.

Plant Location(s): Hazlet, New Jersey; Kenyon, Rhode Island.

Division:

Amber Brookman Fabrics Division
New York, New York
Markets industrial textile grade material to various luggage, sport and outdoor wear manufacturers.

Subsidiaries:

Coated Industries, Inc.
Hazlet, New Jersey

Kenyon Industries, Inc.
Kenyon, Rhode Island
Engaged in the coating, dyeing and finishing of textiles.

Coated Sales U.K. Ltd.
Nottingham, England

Cal-Pen Textiles, Inc.
Los Angeles, California
Wholesale distributor of industrial textiles.

Pacstar Corporation
CP Inco Corp.

Sales & Earnings

	Net Sales	Net Income
1987	\$ 90,010,703	\$ 7,203,530
1986	53,556,567	3,509,931
1985	27,461,638	677,567
1984	18,199,597	456,247
1983	9,965,420	(8,851)
	No. of Com. Shares †	Earn. per Share ‡
1987	18,684,453	\$ 0.400
1986	15,893,370	0.240
1985	12,115,854	0.056
1984	10,000,000	0.046
1983	10,000,000	—

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	\$ 40,771,485	\$ 2.18
1986	8,988,146	0.57
1985	5,163,684	0.43
1984	971,587	0.10
1983	515,340	0.05

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Feb. 28	1987	1986
Net sales	\$ 90,010,703	\$ 53,556,567
Cost of sales	64,480,600	39,609,603
Expenses	9,684,564	4,863,774
Interest expense	1,858,826	2,284,236
Income before taxes	\$ 13,986,713	\$ 6,798,904
Income taxes	6,783,183	3,288,973
Net Income	\$ 7,203,530	\$ 3,509,931

* Included in Costs and Expenses. Depreciation and Amortization: \$527,815 in 1987 and \$144,630 in 1986.

Assets

As of Feb. 28	1987	1986
Cash	\$ 4,394,717	\$ 252,319
Short-term invest.	1,754,550	1,641,898
Accts. receiv., net	17,491,471	11,140,815
Due from fin. inst.	18,214,161	3,458,018
*Inventories	16,246,985	11,486,033
Prepaid expenses	543,046	793,405
Current Assets	\$ 58,644,930	\$ 28,772,488
*Fixed assets	5,836,162	3,451,741
Exc. of purch. price over assets acq.	672,290	1,803,246
Other assets	1,342,414	528,641
Total Assets	\$ 66,495,796	\$ 34,556,116

Brookwood Companies Incorporated

Liabilities		
Notes payable	\$ 1,800,000	\$ 1,500,000
Long-term debt, curr.	424,644	1,003,214
Accts. payable	13,916,215	6,335,146
Accruals	693,302	725,417
Income taxes	1,061,357	3,294,430
Curr. Liabilities	\$ 17,895,518	\$ 12,858,207
Long-term debt	7,435,088	12,275,993
Other liabilities	393,705	433,770
+Common stock	178,235	135,684
Add. paid-in capital	28,330,635	3,793,377
Retained earnings	1,262,615	5,059,085
Total Liabilities & Shareholders' Equity	\$ 66,495,796	\$ 34,556,116

* At lower of cost (FIFO) or market.
 # Less accumulated depreciation and amortization.
 + \$0.01 par value.

Statistical Summary

%Income bef. Taxes		
to Sales	15.54	12.69
%Net Income to Sales	8.00	6.55
%Net Income to Equity	17.67	39.05
Sales to Inventories	5.54	4.66
Debt to Equity	0.24	1.64
Working Capital	\$ 40,749,412	\$ 15,914,281
Current Ratio	3.28	2.24
Shareholders' Equity	\$ 40,771,485	\$ 8,988,146

Brown Group, Inc.

P.O. Box 29
 8400 Maryland Avenue
 St. Louis, Missouri 63166
 (314) 854-4000

Officers: B. A. Bridgewater, Jr., chairman of the board & chief executive officer; Richard L. Anderson, president; Harry E. Rich, exec. v.p. & chief financial officer; Robert D. Pickle, v.p., corp. secretary & general counsel; William S. Frederick, v.p. & controller; J. J. Cramer, v.p. & pres. Brown Group International; Ordean H. Burud, v.p.-real estate; Robert D. Gibbs, v.p.-distribution; Donald G. Leonard, v.p.-management information systems; David L. Bowman, v.p.-public affairs; Andrew M. Rosen, treasurer.

Directors: W. L. Hadley Griffin*, Warren McK. Shapleigh*, Richard W. Shomaker*, B. A. Bridgewater, Jr.*, Daniel R. Toll*, William E. Mantz, Harry E. Rich*, Joan F. Lane, Richard L. Anderson*, Joseph L. Bower, Morton I. Sosland, Harry E. Rich*, Monte E. Shomaker, honorary director.

* Member of the Executive Committee

Business Activities: Manufactures, markets and retails a wide range of brand-name, nationally advertised footwear for women, men and children. Also operates company-owned shoe stores, leased retail shoe departments in department stores, and retail fabric stores.

Trademarks and/or Brand Names: Naturalizer, LifeStride, Footworks, DeLiso, Connie, Fanfares, Buster Brown, Levi's Shoes & Boots*, Busters, Britannia*, Regal, Jean Pier Clemente, Air Step, Footworks, Barbie Fashion Footwear*, Mickey Mouse and Friends*. *Under a licensing agreement.

Subsidiaries:

Footwear:

Brown Shoe Company
 8300 Maryland Avenue
 St. Louis, Missouri 63105
 Manufactures and distributes footwear.

Brown Shoe Co. of Canada, Ltd.
 1857 Rogers Road
 Perth, Ontario K7H 3E3, Canada
 Manufactures and distributes footwear.

Wohl Shoe Company
 8350 Maryland Avenue
 St. Louis, Missouri 63105
 Operates leased shoe departments and shoe stores.

Pagoda Trading Company, Inc.
 1950 Craig Road
 St. Louis, Missouri 63146
 Imports and distributes footwear.

Specialty Retailing:

Cloth World
 8500 Maryland Avenue
 St. Louis, Missouri 63105
 Operates retail fabric stores throughout the U.S.

Acquisition:

F.X. LaSalle Company
 Montreal, Quebec, Canada
 Operates fashion shoe stores and Naturalizer shoe stores in Canada.

Transfer Agents and Registrars:

Morgan Shareholder Services Trust Company
 P.O. Box 3981
 Church Street Station
 New York, New York 10008

Boatmen's Trust Company
 P.O. Box 14737
 St. Louis, Missouri 63118

Stock Exchange(s): New York, Midwest

Ticker Symbol: BG

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1988	\$ 1,706,565	\$ 8,283
1987	1,571,955	46,853
1986	1,292,549	39,503
1985	1,294,679	51,573
1984*	1,333,244	26,446
	No. of Com. Shares ‡	Earn. per Share ‡
1988	17,349,000	\$ 0.48
1987	17,831,000	2.63
1986	18,269,000	2.16
1985	19,497,000	2.65
1984*	20,300,000	1.80

* 53 weeks.
 + Of continuing operations only.
 ‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business (000's)

	1988	1987
Footwear	\$ 1,510,469	\$ 1,374,618
Specialty retailing	196,096	197,337
Total	\$ 1,706,565	\$ 1,571,955

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 1.56	—	—
1987	1.52	—	—
1986	1.46	—	—
1985	1.38	—	—
1984	1.30	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 332,705,000	\$ 19.10
1987	355,001,000	20.33
1986	353,089,000	19.63
1985	374,729,000	19.87
1984	390,708,000	19.43

Income Account * (000's)

Year ended	1/28/89	1/30/88
Net sales	\$ 1,706,565	\$ 1,571,955
Cost of sales	1,062,371	962,504
Expenses	581,323	516,174
Interest expense	16,983	12,583
Sundry income	(2,526)	(5,144)
Income before taxes	\$ 48,414	\$ 85,838
Income taxes	18,280	32,297
Inc. - cont. oper.	\$ 30,134	\$ 53,541
Loss - discont. oper.	(21,851)	(6,688)
Net Income	\$ 8,283	\$ 46,853

* Included in Costs and Expenses, Depreciation and Amortization: \$26,501,000 in 1988 and \$24,085,000 in 1987.

Assets (000's)

As of	1/28/89	1/30/88
Cash & cash invest.	\$ 11,968	\$ 21,453
Accts. receiv., net	135,063	133,091
*Inventories	338,148	300,713
Net assets - discont. oper.	13,137	14,259
Prepaid exp. & other assets	28,997	23,613
Current Assets	\$ 527,313	\$ 493,129
*Fixed assets	146,831	128,314
Net assets - discont. oper.	10,533	19,384
Other assets	43,533	32,048
Total Assets	\$ 728,210	\$ 672,875

Liabilities (000's)

Notes payable	\$ 67,769	\$ 20,073
Long-term debt, curr.	4,502	3,969
Accts. payable	86,352	73,240
Employee compensation & benefits	43,205	39,669
Other accruals	41,815	33,080
Income taxes	234	6,780
Curr. Liabilities	\$ 243,877	\$ 176,811
Long-term debt & cap. lease oblig.	136,044	120,442
Deferred compensation plans	3,089	10,928
Deferred inc. taxes	12,495	9,693
+Common stock	65,330	65,467
Add. paid-in capital	21,555	18,118
Retained earnings	247,542	271,972
Unamort. value of restricted stock	(3,110)	—
Cumulative trans. adjustment	1,388	(556)
Total Liabilities & Shareholders' Equity	\$ 728,210	\$ 672,875

* At lower of cost (LIFO) or market; foreign inventories at FIFO.
 # Less accumulated depreciation and amortization.
 + \$3.75 par value.

Statistical Summary

%Net Income to Equity	2.49	13.20
Sales to Inventories	5.05	5.23
Debt to Equity	0.63	0.41
Working Capital	\$ 283,436,000	\$ 316,318,000
Current Ratio	2.16	2.79
Shareholders' Equity	\$ 332,705,000	\$ 355,001,000

Burke Mills, Inc.

P.O. Box 190
Valdese, North Carolina 28690
(704) 874-2261

Officers: Humayun N. Shaikh, president & treasurer; Richard F. Whisenant, executive vice president; Sebnen H. Cannon, v.p.-administration; Thomas I. Nail, v.p.-finance; Richard Byers, v.p.-sales; Charles F. Hudson, v.p.-dyeing; Pender R. McElroy, secretary; Michael B. Smith, asst. secretary.

Directors: Humayun N. Shaikh, Richard F. Whisenant, Sebnen H. Cannon.

Business Activities: Engaged in the throwing, texturing, dyeing, processing and winding of filament, novelty and spun yarns and in the dyeing and processing of these yarns on a commission basis.

Divisions:

Frank Gaddy Yarn Division

Stock Exchange(s): Over-the-Counter

Sales & Earnings

	Net Sales	Net Income †
1988	\$ 20,297,906	\$ 380,232
1987	21,070,581	564,951
1986	19,063,510	1,109,170
1985	15,611,766	707,828
1984	15,724,934	1,146,565
	No. of Com. Shares ‡	Earn. per Share † ‡
1988	2,837,488	\$ 0.13
1987	2,899,867	0.19
1986	2,859,226	0.39
1985	2,837,570	0.25
1984	2,945,494	0.39

† Including extraordinary gains of \$306,324 (\$0.10 per share) in 1987, \$421,765 (\$0.15 per share) in 1986, \$308,256 (\$0.11 per share) in 1985 and \$504,000 (\$0.17 per share) in 1984.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 8,900,489	\$ 3.14
1987	8,520,257	2.94
1986	7,951,819	2.78
1985	6,842,649	2.41
1984	6,134,821	2.08

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	12/31/88	1/2/88
Net sales	\$ 20,297,906	\$ 21,070,581
Cost of sales	18,632,477	18,623,502
Expenses	1,207,248	1,221,435
Factor's charges	119,884	119,900
Gain on market. eq. secur.	(198,595)	—
Interest income	(65,851)	(84,007)
Other income	(10,743)	(4,809)
Gain on sale of prop.	(5,381)	(1,692)
Proceeds of life insurance	—	(50,000)
Other charges	124,385	514,028
Income before taxes	\$ 494,482	\$ 732,224
Income taxes	114,250	473,597
Net income	\$ 380,232	\$ 258,627
Extraord. gain	—	306,324
Net income & extraord. gain	\$ 380,232	\$ 564,951

* Included in Costs and Expenses. Depreciation: \$505,511 in 1988 and \$515,485 in 1987.

Assets

As of	12/31/88	1/2/88
Cash & cash equiv.	\$ 663,692	\$ 263,741
Marketable securities	704,944	864,063
Accts. receiv., net	2,498,721	3,058,963
*Inventories	2,888,188	2,803,388
Prepaid expenses	225,112	120,710
Current Assets	\$ 6,980,657	\$ 7,110,865
#Fixed assets	5,082,798	4,146,358
Other assets	262,063	262,319
Total Assets	\$ 12,325,518	\$ 11,519,542

Liabilities

Long-term debt, curr.	\$ 198,000	\$ 198,000
Accts. payable	1,461,354	989,804
Accrued payroll	255,187	347,826
Other accruals	62,787	139,504
Curr. Liabilities	\$ 1,977,328	\$ 1,675,234
Long-term debt	963,201	954,951
Deferred inc. taxes	484,500	369,100
+Common stock	1,809,171	1,809,171
Add. paid-in capital	3,111,349	3,111,349
Retained earnings	3,979,969	3,599,737
Total Liabilities & Shareholders' Equity	\$ 12,325,518	\$ 11,519,542

* At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	2.44	3.48
%Net Income to Sales	1.87	1.23
%Net Income to Equity	4.27	6.63
Sales to Inventories	7.03	7.52
Debt to Equity	0.13	0.14
Working Capital	\$ 5,003,329	\$ 5,435,631
Current Ratio	3.53	4.24
Shareholders' Equity	\$ 8,900,489	\$ 8,520,257

Burlington Industries, Inc.

Corporate Headquarters:

3330 West Friendly Avenue
Box 21207
Greensboro, North Carolina 27410
(919) 379-2000

Merchandising Headquarters:
Burlington House
1345 Avenue of the Americas
New York, New York 10015
(212) 621-3000

(The Company is an indirect, wholly owned subsidiary of Burlington Holdings, Inc.)

Officers: Frank S. Greenberg, chairman of the board & chief executive officer; Donald R. Hughes, vice chairman & chief financial officer; Robert L. Barnes, group vice president; William deR. Holt, Jr., group vice president; Marvin J. Pinson, Jr., group vice president; Clarence C. Finley, group vice president; Abraham B. Stenberg, group vice president; Arthur C. Wiener, group vice president; Bernard A. Leventhal, group vice president; George W. Henderson, III, group vice president; George C. Waldrep, Jr., group vice president; John O. Englar, v.p.-general counsel & secretary; J. Kenneth Lesley, v.p.-personnel & public relations; E. Barry James, v.p.-fibers purchasing; Park R. Davidson, asst. v.p.-finance; Peyton R. Latimer, v.p. & treasurer; Agustin J. Diodati, controller; Roger M. Rheasure, asst. controller; Emil F. Garda, asst. treasurer-credit; Robert B. Underhill, associate general counsel; Ben F. Tennille, associate general counsel; Robert H. Stevens, Jr., asst. general counsel; Barbara K. Eisenberg, asst. general counsel; Robert T. Abbott, asst. treasurer; Roy M. Phipps, Jr., asst. treasurer.

Directors: Frank S. Greenberg, Donald R. Hughes, Donald P. Brennan, Robert F. Greenhill, Alan E. Goldberg.

Business Activities: A diversified manufacturer of textiles and related products for apparel, home and industry, the Company manufactures and merchandises apparel fabrics, yarns, carpets, rugs, mattress tickings, draperies, upholstery fabrics, bedspreads, comforts, and automotive fabrics and carpets. Industrial fabric products include specialized man-made fiber and fiber glass products. The Company has 72 plants in the United States and 12 plants in 4 other countries.

Trademarks and/or Brand Names: Burlington House, Burlana, Bur-Mil, Burlington Ms., Crossfire, Expandra, Galey & Lord, Goodall, Klopman, Lees, Mooreville, Pacific, Raeford, Alluressa, Endo-Stat, Erwin, Knitovations, Milhealth, Mohara, Monticello, Pinfeather, Suraline, Tarpoon, The Equipe, Ultrass, Whipped Cream.

Divisions and Subsidiaries:

International Operations - Non-Consolidated

Mitsubishi-Burlington Co., Ltd.
Tokyo, Japan
Residential and commercial carpeting.
Products for Apparel

Burlington Menswear
1345 Avenue of the Americas
New York, New York 10019
Worsted, worsted blend and textured woven fabrics for men's and women's wear and uniforms.

Burlington Denim
1345 Avenue of the Americas
New York, New York 10019
Cotton and cotton/polyester blend denim fabrics.

Klopman Fabrics
1345 Avenue of the Americas
New York, New York 10019
Woven fabrics for women's wear, men's wear, uniforms, home furnishings and institutional napery; high-performance fabrics for active sportswear.

Burlington Blended Fabrics
Polyester/cotton and cotton woven fabrics for men's, women's and children's wear, uniforms, workwear and sportswear; institutional napery; decorative fabrics for home furnishings; and protective fabrics for hazardous environment workwear.

Burlington Greige Sales
1345 Avenue of the Americas
New York, New York 10019
Filament and spun woven fabrics.

Burlington Industries, Inc.

Burlington Madison Yarn
1345 Avenue of the Americas
New York, New York 10019

Textured nylon and polyester, KDK and spun synthetic yarns.

Burlington Knitted Fabrics

Yarn dyed and piece dyed spun and filament circular knitted fabrics for men's, women's and children's wear.

Burlington Prints

Printed, woven and knitted fabrics for men's, women's and children's wear and non-apparel uses.

Burlington Home Sewing Fabrics

Finished apparel fabrics for the home sewing market.

Products for the Home

Carpet Group

Burlington House Area Rugs

919 Third Avenue
New York, New York 10022
Tufted bath and area rugs.

Burlington House Carpets

919 Third Avenue
New York, New York 10022
Tufted residential carpets.

Lees Carpets

Valley Forge Corporate Center
King of Prussia, Pennsylvania 19406
Tufted residential carpeting.

Monticello Carpet Mills

1345 Avenue of the Americas
New York, New York 10019
Tufted residential carpeting.

Lees Commercial Carpets

Tufted and woven carpeting and tufted carpet tiles for the commercial market.

Domestics

Burlington House Converter Fabrics

Drapery fabrics for the custom drapery market.

Burlington House Draperies

Ready-made and made-to-measure draperies, sheets and bedspread ensembles.

Burlington House Ticking

Damask and striped mattress tickings for residential, contract and institutional markets.

Burlington House Upholstery Fabrics

Woven fabrics and tufted velvets for the residential and commercial upholstered furniture market.

C.H. Masland & Sons

Floor, interior trim and trunk parts for the automotive industry. High-fashion area rugs and carpets for residential, commercial and designer markets.

Military Fabrics

Specially engineered fabrics for military apparel and equipment.

Products for Industry

Burlington Glass Fabrics

1345 Avenue of the Americas
New York, New York 10019

Fiber glass fabrics, tapes, and high temperature insulating materials.

Burlington Industrial Fabrics

1345 Avenue of the Americas
New York, New York 10019

Heavy synthetic industrial fabrics.

Burlington Formed Fabrics

Non-woven fabrics for home furnishings, industrial and medical applications.

Burlington Impression Fabrics

Fabrics for typewriters, computer printers and other applications.

Burlington Performance Fabrics

Woven lightweight, synthetic fabrics engineered for high-performance end uses.

Other Domestic Operations

Valley Forge Information Service
Market research and opinion polling services.

B.I. Transportation, Inc.

Private and common motor carrier and domestic and international traffic services.

Burlington Trading Company

Development of new international markets for Burlington products.

International Operations - Consolidated

Burlington Carpet Mills, Canada, Ltd.

Bramalea, Ontario, Canada

Residential and commercial carpeting.

Burlington Canada, Inc.

Dorval, Quebec, Canada

Woven narrow fabrics for industrial uses, and knitted apparel fabrics.

Burlington Industries (Ireland), Ltd.

Tralee, Ireland

Polyester/cotton greige fabrics and textured yarn products.

Burlington Sportswear Fabrics Limited

Longford, Ireland

Indigo denim fabrics for men's, women's and children's wear.

Klopman International S.p.A.

Frosinone, Italy

Polyester/cotton fabrics for leisure wear and uniforms.

Nobilis-Lees S.A. de C.V.

Cuernavaca, Mexico

Woven fabrics for apparel and home furnishings.

Insurates, Ltd.

Hamilton, Bermuda

General reinsurance.

Leedye, Inc.

Lachine, Quebec, Canada

Finishing services for knitted fabrics manufacturers.

Masland of Canada, Ltd.

Rexdale, Ontario, Canada

Floor, interior trim and trunk parts for the automotive industry.

NOTE: Burlington Holdings Inc., a Delaware corporation, and BII Acquisition Corp., a Delaware corporation, were organized to effect the acquisition of Burlington Industries, Inc. On June 24, 1987, Acquisition Corp. merged with and into Burlington with Burlington being the surviving corporation in the Merger. As a result of the Merger, Burlington became an indirect wholly owned subsidiary of Holdings.

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
10/3/87*	\$ 909,291	\$ (25,290)
6/27/87+x	2,369,993	47,249
9/27/86x	2,778,132	56,531
9/28/85	2,802,134	12,574
9/29/84x	3,168,760	62,399
	No. of Com. Shares	Earn. per Share \$
10/3/87*	12,500,000	\$ —
6/27/87+x	30,973,728	1.71
9/27/86x	27,468,490	2.01
9/28/85x	28,583,382	0.44
9/29/84x	28,531,102	2.18

(Loss)

* 3 months

+ 9 months

x Predecessor company

‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
10/3/87	\$ —	—	—
6/27/87x	1.23	—	—
9/27/86x	1.64	—	—
9/28/85x	1.64	—	—
9/29/84x	1.61	—	—

x Predecessor company.

Common Stock Equity

	Total Equity (000's)	Equity Per Share
10/3/87	\$ 99,342	\$ 7.95
6/27/87x	—	—
9/27/86x	1,140,431	41.52
9/28/85x	1,150,779	40.26
9/29/84x	1,193,266	41.82

x Predecessor company.

Income Account *

Year ended	10/3/87 (3 Months)	6/27/87x (9 Months)
Net sales	\$ 909,291	\$ 2,369,993
Cost of sales	765,037	2,067,364
Expenses	60,604	176,938
Other expense	9,640	3,571
Interest expense	97,202	18,864
Takeover defense expense	—	23,250
Income (loss) before taxes	\$ (23,192)	\$ 80,006
Income taxes	2,098	32,757
Net Income (Loss)	\$ (25,290)	\$ 47,249

* Included in Costs and Expenses, Depreciation and Amortization: \$34,618,000 in the period ending October 3, 1987.

x Predecessor company.

Assets (000's)

As of	10/3/87	6/27/87x
Cash & short-term invest.	\$ 279,432	\$ 94,870
Accounts receiv., net	562,156	509,640
Sundry notes receiv.	20,132	28,011
Deferred taxes	—	14,466
*Inventories	575,871	327,286
Prepaid expenses	21,295	12,856
Current Assets	\$ 1,458,886	\$ 987,129
Investment & receiv.	30,513	54,326
#Fixed assets	1,168,332	1,082,454
Other assets	833,634	57,498
Total Assets	\$ 3,491,565	\$ 2,181,407

Liabilities (000's)

Notes payable	\$ 27,855	\$ 45,306
Long-term debt, curr.	667,080	30,971
Accts. payable	189,911	175,069
Accruals & sundry accts. payable	165,893	144,225
Income taxes	22,619	17,116
Curr. Liabilities	\$ 1,073,358	\$ 412,687

Long-term debt	2,262,373	392,327
Other liabilities	56,492	47,445
Deferred inc. taxes	—	188,517
+Common stock	125	28,898
Add. paid-in capital	124,875	220,317
Retained earnings (deficit)	(25,290)	1,002,570
Treasury stock	—	(63,362)
Foreign curr. trans.	(368)	(47,992)

Total Liabilities & Shareholders' Equity	\$ 3,491,565	\$ 2,181,407
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1 Predecessor company
 * At lower of cost or market Domestic inventories at "dollar value" LIFO; foreign at average cost.
 # Less accumulated depreciation, amortization and obsolescence.
 + \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.38
%Net Income to Sales	—	1.99
%Net Income to Equity	—	—
Sales to Inventories	1.58	—
Working Capital	\$ 385,528,000	\$ 574,442,000
Current Ratio	1.36	2.39
Shareholders' Equity	\$ 99,342,000	\$ 1,140,431,000

Carolina Mills, Inc.

618 Carolina Avenue
 Post Office Box 157
 Maiden, North Carolina 28650
 (704) 428-9911

Officers: Edward P. Schrum, president, treasurer & chief executive officer; Jerry Harbinson, v.p.-admin. & secretary; T. P. Pruitt, Jr., v.p.-Weaving Division & asst. treasurer; Kenneth C. Isaac, v.p.-Knit Finishings Division; Stephen G. Dobbins, Jr., v.p.-sales yarn mfg. & asst. secretary; George A. Moretz, v.p.-Sales Yarn Division.

Directors: Julius W. Abernethy, Jr., Claude S. Abernethy, Jr., Julius W. Abernethy, III, Dan Mark Boyd, III, Hershell H. Keener*, George A. Moretz, Edward P. Schrum*, T. P. Pruitt, Jr., J. L. Thompson, Jr..

* Member of the Executive Committee

Business Activities: Produces yarns for knit outerwear, home furnishings, silver knit, elastic webbing and flame retardant children's sleepwear, cotton flannel for the work glove trade, upholstery fabrics and also finishes circular knit fabrics.

Plant Location(s): Maiden, Newton, Statesville, Hickory, Lincolnton, and Ranlo, North Carolina.

Divisions:

Yarn Division-Sales
 Maiden, Lincolnton, Ranlo, Newton & Statesville, North Carolina.

Yarn Division-Manufacturing
 Maiden, Statesville, Lincolnton & Ranlo, North Carolina.

Knit Finishing Division
 Newton, North Carolina

Weaving Division
 Newton, North Carolina

Woven Fabrics Division
 Newton & Hickory, North Carolina

Furniture Division
 Maiden, North Carolina

Subsidiaries:

Carolina Maiden Corporation
 Maiden, North Carolina
 Yarn sales agency,
 New York, New York

CM Furniture, Inc.
 Maiden, North Carolina
 Exposed wood and fully upholstered furniture; selected case goods.

Stock Exchange(s): Over-the-Counter

Sales & Earnings

	Net Sales	Net Income
1988	\$ 200,621,500	\$ 13,788,282
1987	204,205,292	9,623,983
1986	187,884,211	7,773,307
1985	158,120,387	4,325,350
1984	166,627,353	5,522,672

	No. of Com. Shares	Earn. per Share
1988	3,992,762	\$ 3.49
1987	3,948,062	2.43
1986	3,988,469	1.96
1985	3,936,859	1.09
1984	3,998,393	1.38

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 1.00	—	—
1987	0.82	—	—
1986	0.60	—	—
1985	0.52	—	—
1984	0.54	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 70,476,315	\$ 17.65
1987	59,981,254	15.19
1986	54,041,111	13.55
1985	48,437,934	12.30
1984	46,533,628	11.64

Income Account

Year ended	10/1/88	9/26/87
Net sales	\$ 200,621,500	\$ 204,205,292
Cost of sales & exp.	177,730,204	186,173,348
Income before taxes	\$ 22,891,296	\$ 18,031,944
Income taxes	9,103,014	8,407,961
Net Income	\$ 13,788,282	\$ 9,623,983

‡ Restated.

Assets

As of	10/1/88	9/26/87
Cash	\$ 7,075,000	\$ 1,437,000
Notes receiv.	5,000	15,000
Accts. receiv., net	24,895,000	27,210,000
*Inventories	21,132,000	17,472,000
Prepaid expenses	348,000	166,000
Temporary investments	5,671,000	4,134,000
Current Assets	\$ 59,116,000	\$ 50,434,000
Investments	3,314,000	2,000
*Fixed assets	44,297,000	39,884,000
Other assets	1,153,000	1,458,000
Total Assets	\$ 107,880,000	\$ 91,778,000

Liabilities

Notes payable	\$ 5,668,000	\$ 1,590,000
Accts. payable	9,510,000	8,844,000
Accruals	11,133,000	8,245,000
Curr. Liabilities	\$ 26,311,000	\$ 18,679,000

Long-term notes pay & deferred taxes	11,093,000	13,118,000
+Common stock	3,993,000	3,948,000
Add. paid-in capital	4,862,000	4,259,000
Retained earnings	61,621,000	51,774,000

Total Liabilities & Shareholders' Equity	\$ 107,880,000	\$ 91,778,000
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* At lower of cost (FIFO, LIFO, or average) or market.
 # Less accumulated depreciation.
 + \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.41	8.83
%Net Income to Sales	6.87	4.71
%Net Income to Equity	19.56	16.05
Sales to Inventories	9.50	11.69
Debt to Equity	0.24	0.25
Working Capital	\$ 32,805,000	\$ 31,755,000
Current Ratio	2.25	2.70
Shareholders' Equity	\$ 70,476,315	\$ 59,981,254

Celanese Canada Inc.

(56.2%-owned by Hoechst Celanese Corporation)

800 Rene-Levesque Boulevard West
 Montreal H3B 1Z1 Quebec, Canada
 (514) 871-5511

Mailing address:
 P.O. Box 6170
 Station 'A'
 Montreal, Quebec H3C 3K8, Canada

Officers: Pierre Cote, chairman of the board; Paul H. Williams, president; Jean Richard, v.p.-human resources; James K. Lambie, v.p.-corp. development & government relations; J. Stewart Browning, v.p.-corp. affairs & secretary; Jacques Binette, v.p., controller & treasurer; Ian T. Brownlie, v.p. & gen. mgr.-Chemical and Industrial Products Group; George M. McGinn, gen. mgr.-textile fibres, Textile Group; Ronald J. S. McNeely, gen. mgr.-industrial fibres, Textile Group.

Directors: Pierre Cote*, chairman; Harry B. Bartley, Jr., Marcel Belanger, W. I. M. Turner, Jr., Thomas Symons, Mrs. Jean Casselman Wadds, William B. Harris*, Paul H. Williams*, Harry R. Benz, Ian T. Brownlie, Richard M. Clarke, Gerald P. Elden, John A. Fennie.

* Member of the Executive Committee

Business Activities: Engaged in the production of man-made fibres, chemicals and industrial products. The Textile Group is divided into two business units. Textile Fibres manufactures and markets acetate filament yarns, as well as apparel, household and carpet polyester staple products. Industrial Fibres manufactures and markets polyester heavy denier industrial filament yarns and staple products.

Trademarks and/or Brand Names: Celanese, Celisa, Celceloud, Celtron, Trevira.

Plant Locations(s): Drummondville, Quebec; Millhaven, Ontario.

Operating Units:

Textile Group
 800 Rene-Levesque Boulevard West
 Montreal, Quebec H3B 1Z1, Canada
 (514) 871-5511

Chemicals and Industrial Products Group
 P.O. Box 99
 Edmonton, Alberta T5J 2H7, Canada
 (403) 471-0511

Transfer Agent(s):

Montreal Trust Company (common & preferred shares)
 Edmonton, Montreal, Toronto, Vancouver, Canada

Celanese Canada Inc.

Mellon Securities Trust Company (common shares only)
New York, New York

Stock Exchange(s): Montreal, Toronto

Ticker Symbol: CCLM (Montreal), CCLT (Toronto)

Sales & Earnings

	Net Sales +	Net Income
1988	\$ 407,200,000	\$ 48,904,000
1987	351,200,000	28,356,000
1986	345,200,000	18,766,000
1985	337,500,000	12,555,000
1984	344,100,000	6,231,000

	No. of Com. Shares	Earn. per Share
1988	13,575,423	\$ 3.53
1987	13,574,571	2.02
1986	13,573,441	1.32
1985	13,566,960	0.87
1984	13,551,174	0.40

+ Of continuing operations only.

Revenues by Line of Business

	1988	1987
Polyester	\$ 140,636,000	\$ 134,398,000
Cellulosic Fibres	55,940,000	51,857,000
Industrial prod.	93,735,000	79,242,000
Chemicals	147,699,000	109,517,000
Eliminations	(30,831,000)	(23,856,000)
Total	\$ 407,179,000	\$ 351,158,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 2.00	—	—
1987	1.30	—	—
1986	0.76	—	—
1985	0.20	—	—
1984	0.20	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1988	\$ 163,943,000	\$ 12.52
1987	143,142,000	10.99
1986	133,390,000	10.27
1985	125,681,000	9.71
1984	116,460,000	9.04

‡ After allowing for preferred stock at redemption values.

Income Account *

	1988	1987
Year ended Dec. 31		
Net sales	\$ 407,179	\$ 351,158
Cost of sales	309,970	291,229
Expenses:		
Sell. & adm.	22,884	19,093
Res. & develop.	2,025	1,492
Other income	(5,090)	(6,559)
Income bef. taxes	\$ 77,390	\$ 45,903
Income taxes	28,486	17,967
Net Income	\$ 48,904	\$ 28,356

* Included in Costs and Expenses, Depreciation and Amortization: \$23,878,000 in 1988 and \$4,187,000 in 1987.

Assets (000's)

	1988	1987
As of Dec. 31		
Cash & invest.	\$ 67,996	\$ 32,807
Receiv. net	65,066	52,845
*Inventories	33,090	34,962
Other assets	2,084	2,804
Deferred taxes	14,204	12,281
Current Assets	\$ 182,440	\$ 135,699
#Fixed assets	116,033	114,906
Other assets	6,760	7,775
Total Assets	\$ 305,233	\$ 258,380

Liabilities (000's)

	1988	1987
Accts. payable & accruals	\$ 63,714	\$ 55,681
Dividends payable	13,575	9,746
Income taxes	23,940	8,806
Curr. Liabilities	\$ 101,229	\$ 74,233
Deferred inc. taxes	21,674	22,618
+Preferred stock	12,363	12,363
+Common stock	50,029	50,005
Retained earnings	119,938	99,161
Total Liabilities & Shareholders' Equity	\$ 305,233	\$ 258,380

* At LIFO cost.
Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	19.01	13.07
%Net Income to Sales	12.01	8.07
%Net Income to Equity	26.82	17.55
Sales to Inventories	12.31	10.04
Working Capital	\$ 81,211,000	\$ 61,466,000
Current Ratio	1.80	1.83
Shareholders' Equity	\$ 182,330,000	\$ 161,529,000

Celanese Mexicana S.A.

P.O. Box 112-BIS 01040 D.F. Mexico

(40%-owned by Celanese International Holding Co., a subsidiary of Hoechst-Celanese Corp.)

Officers: Federico Ortiz A., president & managing director; James J. Bigham, v.p.; Isaac Saba Raffoul, v.p.; Marcelino L. Mijia, treasurer & dir.-finance; Agustin Rodriguez Rocha, secretary; Gaston Esquivel Perez P., asst. secretary; Fernando Trejo Repetto, dir.-Chemical Division; Ernesto Fernandez Morales, dir.-Industrial Products Division; Jorge Martinez Montes, dir.-planning; Alberto Baron, dir.-industrial relations; Alejandro Forte Aragon, dir.-industrial promotion and supplies; Guillermo Lopez Mellado, dir.-Fibers Division.

Directors: Federico Ortiz A., managing director; Richard R. Austin, James J. Bigham, Rudolf Dallwitz, Ernest H. Drew, Ernesto Fernandez Hurtado, Thomas F. Kennedy, Agustin F. Legorreta, Jerome E. Link, Ernesto Marcos Giacomani, Marcelino L. Mijia, Alejandro Palma, Juan Antonio Perez Simon, Alberto Saba Raffoul, Eduardo Saba Raffoul, Isaac Saba Raffoul, Salomon Saba Raffoul.

Business Activities: The Company's main activity is the manufacture and marketing of chemical fibers, chemical products, plastics, specialties and flexible films. Textile products include polyester staple used in conventional and sewing threads and upholstery, polyester filament and industrial polyester-nylon for the hosiery and carpet markets, Celanyl fiber for the hosiery market, and nylon and polyester tire cord.

Subsidiaries:

Consorcio Promotional de Industrias, S.A. de C.V.

Univex, S.A. (45.9%-owned)

Engaged in the production of Caprolactam used in nylon, both textile and engineering resins applications, as well as industrial products such as tire cord and monofilament.

Tereftalatos Mexicanos, S.A. (22.29%-owned)

Produces purified terephthalic acid which is a raw material used in the production of polyester fibers and resins.

Convertidora Textil, S.A. de C.V. (50%-owned)

Engaged in the production of textured nylon and polyester; acrylic and polyester staple spinning threads; acrylic filament spinning, twisting, dyed and sewing threads.

Sales & Earnings x

	Net Sales (millions)	Net Income ‡ (millions)
1987	\$ 757,051	\$ 96,416
1986	267,711	17,050
1985	141,833	8,388
1984	102,807	4,085
1983	59,272	5,914

	No. of Com. Shares	Earn. per Share ‡
1987	93,600,000	\$ 1,030.59
1986	93,600,000	182.25
1985	93,600,000	89.66
1984	78,000,000	52.40
1983	65,000,000	91.03

x All figures in Mexican pesos.

‡ Adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	\$ 300	—	—
1986	100	—	—
1985	20	10%	—
1984	—	10%	—
1983	—	5%	—

Common Stock Equity

	Total Equity (millions)	Equity Per Share
1987	\$ 987,412	\$ 10,554
1986	369,868	3,954
1985	166,035	1,775
1984	148,753	1,908
1983	85,492	1,316

Income Account (millions)

Year ended	12/31/87	11/30/86
Net sales	\$ 757,051	\$ 267,711
Cost of sales	571,893	198,292
Expenses:		
Tech. & develop.	7,335	2,421
Selling & adm.	52,336	22,855
Integral financing	(10,635)	519
Amortization	(19,473)	—
Income before taxes	\$ 155,595	\$ 43,622
Income taxes	76,956	11,236
Eq. inc. of affil.	(11,818)	(4,484)
Minority interest	206	256
Net Income	\$ 90,171	\$ 36,614

* Included in Costs and Expenses. Depreciation: \$37,833,000,000 in 1987 and \$14,784,000,000 in 1986.

Assets (millions)

As of	12/31/87	11/30/86
Cash & market secur.	\$ 114,286	\$ 14,068
Accts. receiv. net	202,274	87,516
*Inventories	168,840	50,770
Current Assets	\$ 485,440	\$ 152,354

Investments	95,449	41,250
# Fixed assets	837,203	349,608
Other assets	7,682	2,736
Total Assets	\$ 1,425,774	\$ 545,948

Liabilities (millions)		
Long-term debt, curr.	\$ 549	\$ 169
Accts. payable & accruals	166,780	72,254
Income taxes & profit sharing	13,705	7,228
Deferred income taxes	24,050	—
Curr. Liabilities	\$ 205,084	\$ 79,651
Long-term debt	5,290	38,324
Minority interest	16,346	6,466
Deferred credits	7,108	222
Deferred inc. taxes	44,294	4,827
+ Common stock	4,678	4,678
Add. paid-in capital	1,053	1,053
Retained earnings	97,482	26,385
Updating of equity	1,044,439	384,342
Total Liabilities & Shareholders' Equity	\$ 1,425,774	\$ 545,948

* At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ \$50 par value.

Statistical Summary		
% Income bef. Taxes to Sales	20.55	16.29
% Net Income to Sales	11.91	13.68
% Net Income to Equity	7.86	9.53
Sales to Inventories	4.48	5.27
Debt to Equity	0.01	0.10
Working Capital	\$ 280,356,000	\$ 72,703,000
Current Ratio	2.37	1.91
Shareholders' Equity	\$ 1,147,652,000	\$ 384,342,000

Champion Products Inc.

(Acquired by Sara Lee Corporation on April 28, 1989.)

3141 Monroe Avenue
Rochester, New York 14618
(716) 385-3200

Mailing address:
P.O. Box 850
Rochester, New York 14603

Officers: John J. Tanis, chairman; Roger Holland, president & chief exec. officer; Harold S. Feinbloom, sr. v.p.; Donald R. Sherman, sr. v.p. & chief financial officer; Fred W. Z. Lulof, v.p. & gen. mgr.-retail & international; Robert J. Powell, secretary & general counsel; Ambrose J. Pandon, v.p. & gen. mgr.-athletic & institutional; Thomas D. Sheehy, v.p.-operations; John F. Hackett, v.p.-human resources & treasurer; Kenneth R. Knight, v.p.-corporate services; William J. Woodard, controller.

Directors: Angelo A. Costanza, Harold S. Feinbloom *, Robert Van Buren, Sanford J. Liebschutz, John J. Tanis *, John M. Emery, Roger Holland *

* Member of the Executive Committee

Business Activities: Operates a chain of factory outlet stores located in New York, Massachusetts and Oregon. Engaged in the production, processing, and distribution of athletic uniforms, physical education wear, campus casual wear, camp wear, and leisure wear.

Trademarks and/or Brand Names: Champion, Champion U.S.A., Champknt, Doral, Taper-T, Norset, Endurall, Reverse Weave, Skivvies.

Plant Location(s): Geneseo, Livonia, Perry & Norwich, N.Y.; Clayton, Asheville, Wendell, Weaverville, N.C.; Fitzgerald, Georgia.

Subsidiary:

Champion Outerwear Company
Fitzgerald, Georgia
An apparel manufacturing company specializing in jackets and outerwear.

Joint Venture:

Champion Products, GmbH
(50%-owned)
Munich, West Germany
Operates a chain of franchised Champion Shops in West Germany.

Sales & Earnings

	Net Sales	Net Income †
1987	\$ 177,545,000	\$ 6,961,000
1986	141,008,000	4,932,000
1985	118,414,000	2,363,000
1984	112,483,000	1,660,000
1983	105,897,000	1,820,000
	No. of Com. Shares +	Earn. per Share ‡
1987	3,412,033	2.05
1986	3,381,344	1.47
1985	3,338,660	0.72
1984	3,278,702	0.51
1983	3,275,042	0.54

† Including extraordinary gain of \$213,000 (\$0.07 per share) in 1984.
+ Adjusted to reflect stock split.
‡ Based in the weighted average number of shares outstanding.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1987	\$ 0.40	—	2-for-1
1986	0.36	—	—
1985	0.36	—	—
1984	0.36	—	—
1983	0.36	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	\$ 50,072,000	\$ 14.68
1986	43,635,000	12.90
1985	39,129,000	11.72
1984	37,507,000	11.44
1983	37,007,000	11.30

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1987	1986
Net sales	\$ 177,545,000	\$ 141,008,000
Cost of sales	130,124,000	104,601,000
Expenses	31,824,000	25,671,000
Interest expense	3,013,000	1,141,000
Income bef. taxes	\$ 12,584,000	\$ 9,595,000
Income taxes	5,623,000	4,663,000
Net Income	\$ 6,961,000	\$ 4,932,000

* Included in Costs and Expenses, Depreciation: \$3,229,000 in 1987 and \$2,059,000 in 1986.

Assets

As of Dec. 31	1987	1986
Cash	\$ 5,423,000	\$ 4,078,000
Accts. receiv., net	27,089,000	20,345,000
* Inventories	44,833,000	33,596,000
Other assets	1,614,000	1,372,000
Current Assets	\$ 78,959,000	\$ 59,391,000
# Fixed assets	24,496,000	21,277,000
Other assets	1,755,000	1,048,000
Total Assets	\$ 105,210,000	\$ 81,716,000

Liabilities

Long-term debt, curr.	\$ 1,062,000	\$ 1,859,000
Accts. payable	6,590,000	9,955,000
Notes payable	—	2,417,000
Accrued taxes	984,000	744,000
Accrued payroll	6,297,000	5,041,000
Other liabilities	4,025,000	3,401,000
Curr. Liabilities	\$ 18,958,000	\$ 23,417,000
Long-term debt	33,908,000	12,974,000
Def. inc. taxes	2,272,000	1,690,000
+ Common stock	3,572,000	1,773,000
Add. paid-in capital	11,580,000	12,572,000
Retained earnings	36,044,000	30,442,000
Treasury stock	(1,124,000)	(1,152,000)
Total Liabilities & Shareholders' Equity	\$ 105,210,000	\$ 81,716,000

* At lower of cost (LIFO) or market cost.
Less accumulated depreciation.
+ \$1 par value.

Statistical Summary

% Income bef. Taxes to Sales	7.09	6.80
% Net Income to Sales	3.92	3.50
% Net Income to Equity	13.90	11.30
Sales to Inventories	3.96	4.20
Debt to Equity	0.70	0.40
Working Capital	\$ 60,001,000	\$ 35,974,000
Current Ratio	4.16	2.54
Shareholders' Equity	\$ 50,072,000	\$ 43,635,000

The Cherokee Group

9545 Wentworth Street
Sunland, California 91040
(818) 951-1002

NOTE: The Company went private via a leveraged buyout through Green Acquisition Company on May 10, 1989.

Officers: James P. Argyropoulos, chairman of the board & chief exec. officer; Robert Margolis, president & chief operating officer; Cary D. Cooper, exec. v.p.; Mark Tase, pres.-Shoe Division; Terrance J. Smith, v.p. & chief financial officer; Jay L. Kester, marketing pres.-Apparel Division; Joe Gaspers, president-Licensing Division; Dan Zuckerman, secretary & exec. v.p.-Franchise Division; Grace Condos, pres.-Stores Division; Mei Matsui, pres.-Code Bleu.

Directors: James P. Argyropoulos, chairman; Robert Margolis, Arthur P. Argyria, Peter D. Tamny, Edwin W. Steidle, Cary D. Cooper.

Business Activities: Designs, manufactures and markets women's apparel, including pants, woven and knitted tops, skirts, overalls, jumpsuits, jeans and vests, under the Cherokee brand name and other private labels. Also manufactures women's footwear, and operates 11 retail stores and one outlet store located in southern California.

Trademarks and/or Brand Names: Cherokee, Littlefoot, Kork-Ease, Hands On, Code Bleu, Biscote, A. Smile.

Divisions:

Apparel Division
Shoe Division

The Cherokee Group

Licensing Division
Stores Division
Franchise Division
Code Bleu Division

Subsidiaries:

Cherokee Apparel Corporation
Cherokee Trading Corporation
Cherokee World Wide Corporation
Cherokee Franchising Corporation

Priority Finishing Corporation (81%-owned)
Processes specialty textiles.

Chutes Corporation (80%-owned)
Seattle, Washington
Imports and sells young men's, boys' and juniors' sportswear under the Code Bleu name.

Pallmark International
Imports and markets women's, children's and athletic shoes to major retailers.

Sales & Earnings

	Net Sales	Net Income †
1987	\$ 139,631,000	\$ 10,397,000
1986	104,001,000	6,792,000
1985	83,634,000	4,269,000
1984	72,413,000	3,059,000
1983	48,299,000	1,676,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	12,476,007	\$ 0.83
1986	11,255,174	0.60
1985	11,374,092	0.38
1984	11,388,466	0.24
1983	8,028,152	0.21

(Including extraordinary gain of \$323,000 (\$0.03 per share) in 1984.)

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	\$ 71,372,000	\$ 5.72
1986	26,645,000	2.37
1985	19,163,000	1.68
1984	13,354,000	1.35
1983	4,959,000	0.62

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account * (000's)

Year ended	11/28/87	11/29/86
Net sales	\$ 139,631	\$ 104,001
Cost of sales	90,551	65,123
Expenses	30,362	23,535
Factoring commission & int. exp.	1,694	1,533
Interest income	(1,013)	—
Interest expense	169	—
Other income	(1,079)	(48)
Income before taxes	\$ 18,947	\$ 13,858

Income taxes	8,550	7,066
Net Income	\$ 10,397	\$ 6,792

* Included in Costs and Expenses, Depreciation and Amortization: \$1,283,000 in 1987 and \$903,000 in 1986.

	As of	11/28/87	11/29/86
Cash	\$	20,664	\$ 896
Accts. receiv., net		28,303	22,690
Inventories		25,273	18,065
Net invest.-direct. fin. lease		326	304
Prepaid expenses		1,937	1,362
Current Assets	\$	76,503	\$ 43,317
Fixed assets		12,020	2,505
Net invest.-direct. fin. lease		420	746
Other assets		1,222	1,182
Other investments		277	304
Intangibles		1,975	2,025
Total Assets	\$	92,417	\$ 50,079

	Liabilities (000's)		
Bank loans	\$	3,635	\$ 10,305
Long-term debt, curr.		467	280
Accts. payable & accruals		10,724	7,890
Income taxes		1,782	1,327
Deferred income taxes		1,006	—
Curr. Liabilities	\$	17,614	\$ 19,802
Long-term debt		1,738	955
Deferred inc. taxes		1,524	2,677
Minority interest		169	—
+Common stock		42,266	8,036
Retained earnings		29,106	18,709
Deferred compensation		—	(100)
Total Liabilities & Shareholders' Equity	\$	92,417	\$ 50,079

* At lower cost (FIFO) or market.

‡ Less accumulated depreciation and amortization.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	13.57	13.32
%Net Income to Sales	7.45	6.53
%Net Income to Equity	14.57	25.49
Sales to Inventories	5.52	5.76
Debt to Equity	0.08	0.43
Working Capital	\$ 58,889,000	\$ 23,515,000
Current Ratio	4.34	2.19
Shareholders' Equity	\$ 71,372,000	\$ 26,645,000

Coats Viyella Plc

Bank House
Charlotte Street
Manchester, M1 4ET, England
061-236 3272

Officers: Sir James Spooner, chairman; David Alliance, deputy chairman & chief executive officer; James McAdam, deputy chairman & chief operating officer; John Ashton, group finance director; C. Michael Bell, thread, handknittings and retail; Jeffrey L. Hewitt, group strategy director; Nicholas C.D. Kuensberg, precision engineering & menswear; Alistair H. Macdiarmid, apparel; J. David F. Miller, group personnel director; W. John Shelton, yarns & fabrics; Peter White, homewares; Samuel Dow, secretary.

Directors: Sir James Spooner, chairman; David Alliance, deputy chairman & chief executive officer; James McAdam, deputy chairman & chief operating officer; John Aston, C. Michael Bell, Harry A.S. Djanogly, Jeffrey L. Hewitt,

Nicholas C.D. Kuensberg, Alistair H. Macdiarmid, J. David F. Miller, W. John Shelton, William C. Thomson, Peter M. White.

Business Activities: The principal activities of the Company are the manufacture, processing and distribution of knitwear and garments, household textiles, furnishings and carpets, and woven and knitted fabrics. Additionally, the Company is involved in the production and sale of sewing thread, handknittings, fashionwear and precision engineering products. The Company's retail group operates 400 retail clothing outlets in the U.K., Europe, and North America under the names Jaeger, Country Casuals, and Viyella.

Trademarks and/or Brand Names: Aero, Anchor, Beehive, Jaeger, Jaegerman, Milwards, Nomotta, Patons, Red Heart, Penelope, Country Casuals, Viyella, Matchplay, Rocola, Peter England, British Van Heusen, Byford, Dalk-eith, Ladybird, Chilprufe, Allen Solly, Aertex, Byford, Louis Philippe, Chain, Drima, Dual Duty, Duet, Super-sheen, Koban, Aptan, Epic, Trident, Dorma, Vantona, Chortex, Royal Ascot, Diana Cowpe, CV Carpets, Carrington, Donaghadee, Lancaster, New-Tec, Horrockses, Wilton Royal, Clydella, Cyclone, Evvaprest, Sclipsun, Panotex.

Subsidiaries (England):

The British Van Heusen Company Limited
Shirts and leisurewear.

Thomas Burnley & Sons Limited
Yarns and fabrics.

D. Byford & Company Limited
Knitwear and hosiery.

Carrington Viyella Garments Limited
Shirts and leisurewear.

Coats Viyella Medical Limited
Medical equipment.

J. Compton, Sons & Webb Limited
Uniform clothing.

Country Casuals Limited
Operates retail clothing outlets in the U.K. and Europe.

Diana Cowpe Limited
Household textiles.

CV Home Furnishings Limited
Home furnishings.

CV Woven Fabrics Limited
Yarns and fabrics.

CV Apparel Limited
Garments.

Dynacast Limited
Precision engineering.

Albert Hartley Limited
Household textiles.

William Hollins & Company Limited
Fabrics/fashion wear.

Jaeger Holdings Limited
Operates retail clothing stores in the U.K. and North America.

Manusfield Knitwear Limited
Knitwear.

Needle Industries Group Limited
Leisure and craft products; home sewing products; industrial sewing products.

Nottingham Group Limited
Educational supplies.

Patons & Baldwins Limited
Handknittings.

Priest (Lindley) Limited
Yarns.

Stott & Smith Group Limited
Household textiles.

Vantona Limited
Household textiles.

VV Household Textiles Limited
Household textiles.

West Riding Worsted and Woollen Mills Limited
Yarns and fabrics.

Subsidiaries (Scotland):

Coats Paton PLC
Holding company.

J. & P. Coats (U.K.) Limited
Leisure and craft products; home sewing products; industrial sewing products.

F. Miller (Textiles) Limited
Women's and children's wear.

Pasolds Limited
Leisurewear.

Subsidiaries (Northern Ireland):

CV Carpets Limited
Carpets.

Ewart Liddell Limited
Household textiles.

Subsidiaries (U.S.A.):

Coats & Clark, Inc. (including Dynacast USA)
Leisure and craft products; home sewing products; industrial sewing products; precision engineering; handknittings.

Subsidiaries (Canada):

J. & P. Coats (Canada) Inc.
Leisure and craft products; home sewing products; industrial sewing products; handknittings.

Pattons & Bardwins Canada Inc.
Handknittings.

Consoltex Canada Inc.
(81%-owned)
Montreal, Quebec, Canada
Fabric and garments.

Patons & Baldwins Canada Inc.
Handknittings.

Registrar:

Fenchurch Registrars Limited
8-16 Earl Street
London, EC2A 2DY, England

Stock Exchange(s): London

Sales & Earnings

	Net Sales	Net Income †
1988	£1,854,800,000	£ 92,200,000
1987	1,794,800,000	164,600,000
1986	1,790,000,000	132,900,000
1985	1,693,900,000	102,700,000
1984	606,900,000	32,200,000

	No. of Com. Shares ‡	Earnings per Share ‡ †
1988	525,200,000	16.1p
1987	524,400,000	29.0
1986	522,600,000	23.6
1985	519,200,000	18.0
1984	N.A.	15.0

N.A. - Not Available.

£ - pound sterling.

p - pence.

† Excluding extraordinary items and minority interests.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1988	1987
Thread & handknitting	£ 610,900	£ 617,400
Garment mfr. & retailing	437,400	444,500
Homewares	326,200	294,300
Yarns & fabrics	300,300	257,600
Precision engineering	131,100	110,700
Discontinued operations	48,900	70,300
Total	£ 1,854,800	£ 1,794,800

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	9.00p	—	—
1987	8.70	—	—
1986	7.25	—	—
1985	6.00	—	—
1984	5.00	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1988	£ 655,300,000	124.8p
1987	684,400,000	130.5
1986	642,700,000	123.0
1985	575,100,000	110.8

† After allowing for preferred stock at par value.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1988	1987
Net sales	£ 1,854,800	£ 1,794,800
Cost of sales	1,286,300	1,185,600
Distribution costs	305,900	291,100
Adm. expenses	124,700	121,100
Other oper. inc.	(5,700)	(16,500)
Share of profit of rel. cos.	(3,500)	(6,600)
Interest expense	28,700	26,600
Interest income	(16,800)	(19,300)
Income before taxes	£ 135,200	£ 212,800
Income taxes	43,000	48,200
Minority interests	7,300	12,100
Net Income	£ 84,900	£ 152,500
Extraord. items	(35,200)	13,200
Net Income & extraord. items	£ 49,700	£ 165,700

* Included in Costs and Expenses, Depreciation: £ 46,300,000 in 1988 and £ 43,300,000 in 1987.

Assets
(000's)

As of Dec. 31	1988	1987
Cash	£ 109,300	£ 146,000
Investments	23,400	28,900
Accts. receiv., net	346,800	336,300
*Stocks	447,300	439,000
Current Assets	£ 926,800	£ 950,200
Investments	25,300	26,000
*Fixed assets	481,400	458,500
Total Assets	£ 1,433,500	£ 1,434,700

Liabilities
(000's)

Long-term debt, curr.	£ 47,800	£ 53,800
Accts. payable	163,800	169,800
Debentures	19,300	17,500
Amts. owed to rel. co.	12,700	10,300
Advance payment	35,300	32,600
Bills of exch.	33,700	20,400
Other payables	21,200	21,600
Income taxes	73,800	42,900
Accruals & def. inc.	45,200	36,800
Proposed dividend	47,300	45,600
Fin. lease oblig.	5,900	6,600
Pensions	2,300	500
Curr. Liabilities	£ 511,300	£ 509,300
Debentures	96,800	100,800
Other payables	4,700	4,300
Minority interest	50,100	63,900
Deferred income	—	100
Deferred taxes	2,200	1,500
Fin. lease oblig.	31,500	24,300
Other liabilities	67,000	43,000
+Preferred stock	14,600	3,100
+Common stock	105,100	104,900
Add. paid-in capital	1,100	300
Other reserves	45,400	49,900
Profit & loss acct.	503,700	529,300

Total Liabilities & Shareholders' Equity £ 1,433,500 £ 1,434,700

* At lower of cost and net realizable value.

‡ Less accumulated depreciation.

+ £ 1 par value; 4.9% cumulative.

++ 20p par value.

Statistical Summary

%Income bef. Taxes to Sales	7.29	11.86
%Net Income to Sales	4.58	8.50
%Net Income to Equity	12.67	22.18
Sales to Inventories	4.15	4.09
Debt to Equity	0.07	0.08
Working Capital	£ 415,500,000	£ 440,900,000
Current Ratio	1.81	1.87
Shareholders' Equity	£ 669,900,000	£ 687,500,000

Concord Fabrics Inc.

1359 Broadway
New York, New York 10018
(212) 760-0300

Officers: Alvin Weinstein, chairman of the board; Frank Weinstein, vice chairman; Earl Kramer, president; Paul Cohen, v.p.; Paul Muller, v.p.; Mark Neugeboren, v.p.; Martin Wolfson, v.p. & treasurer; Joan Weinstein, secretary; Jack Tannenbaum, asst. treasurer; Donald Birgeles, asst. secretary.

Directors: Alvin Weinstein, chairman; Frank Weinstein, George Gleitman, Martin Wolfson, Kenneth Starr, Earl Kramer, Fred Heller, Henry Gerke.

Business Activities: Develops, designs and styles woven and knitted fabrics of natural and synthetic fibers in a wide variety of colors and patterns for sale to manufacturers and to retailers for resale to the home sewing market.

Plant Location(s): Milledgeville & Washington, Georgia; Chino, California.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: CIS (Class A); CISB (Class B)

Concord Fabrics Inc.

Sales & Earnings

	Net Sales +	Net Income
1988	\$ 139,053,287	\$ (3,556,121)
1987	138,047,382	2,163,909
1986	112,629,609	462,727
1985	103,263,902	76,222
1984*	114,822,941	3,148,762

	No. of Com. Shares #	Earn. per Share †
1988	3,565,062	\$ —
1987	3,565,062	0.61
1986	3,565,062	0.13
1985	3,565,062	0.02
1984*	3,565,062	0.88

(Loss)

* 53 weeks.

+ Of continuing operations only.

Based on the average number of shares outstanding adjusted to reflect recapitalization.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 22,682,807	\$ 6.36
1987	26,289,972	7.37
1986	24,126,063	6.77
1985	23,663,336	6.64
1984	23,587,114	6.62

‡ Adjusted to reflect recapitalization.

Income Account *

Year ended	8/28/88	8/30/87
Net sales	\$ 139,053,287	\$ 138,047,382
Cost of sales	119,279,353	111,549,866
Expenses	21,731,156	20,563,873
Prov. for doubtful accts.	1,302,000	387,000
Interest expense	3,368,899	2,136,734
Inc. (loss) bef. taxes	\$ (6,628,121)	\$ 3,409,909
Income taxes (credit)	(2,982,000)	1,678,000
Inc. (loss) - cont. oper.	\$ (3,646,121)	\$ 1,731,909
Inc. - discont. oper.	—	432,000
Am. effect of change in acctg. meth.	90,000	—
Net Income (Loss)	\$ (3,556,121)	\$ 2,163,909

* Included in Costs and Expenses, Depreciation and Amortization: \$1,558,072 in 1988 and \$1,041,143 in 1987.

Assets

As of	8/28/88	8/30/87
Cash	\$ 694,457	\$ 817,594
Accts. receiv., net	23,278,375	25,945,194
Inventories	20,974,192	32,262,848
Inc. tax ref. receiv.	2,763,000	—
Prepaid expenses	1,327,836	1,706,218
Due from officers	20,000	10,000
Def. income taxes	—	530,000
Current Assets	\$ 49,057,860	\$ 61,271,854
# Fixed assets	12,606,189	12,256,475
Due from officer	99,173	103,062
Other assets	467,853	333,323
Total Assets	\$ 62,231,075	\$ 73,964,714

Liabilities

Notes payable	\$ 15,000,000	\$ 19,200,000
Accts. payable	6,695,081	8,937,555
Accruals	2,443,273	3,470,304
Income taxes	—	126,883
Current Liabilities	\$ 24,338,354	\$ 31,734,742

Long-term debt	15,000,000	15,000,000
Other liabilities	134,914	—
Deferred inc. taxes	75,000	940,000
+ Common stock	—	1,782,331
+ + Common stock:		
Class A	891,266	—
Class B	891,265	—
Add. paid-in capital	8,937,885	8,988,929
Retained earnings	11,962,391	15,518,512

Total Liabilities & Shareholders' Equity	\$ 62,231,075	\$ 73,964,714
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* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

+ + \$0.50 par value.

Statistical Summary

% Net Income to Equity	—	8.23
Sales to Inventories	6.63	4.28
Debt to Equity	1.32	1.30
Working Capital	\$ 9,509,592	\$ 29,537,112
Current Ratio	1.24	1.93
Shareholders' Equity	\$ 22,682,807	\$ 26,289,972

Consoltext Canada Inc.

125 Chabanel Street West
Montreal, Quebec H2N 1E4 Canada
(514) 382-1811

Officers: Tass Grivakes, chairman of the board; John F. Trickett, president; Marcel Thibault, v.p. & gen. mgr. - Outerwear Division; Luc Michielli, v.p. & gen. mgr. - Fashion Division; Peter G.M. Cox, v.p.-finance; Barry E. Yager, treasurer & controller; Alistair W. Wittet, secretary; Antoinette Lapolla, asst. treasurer.

Directors: Jack Greenstein, Tass G. Grivakes, John F. Trickett, Peter G.M. Cox, Luc Michielli, Marcel Thibault, David Alliance, Michael G. Pratt, William J. Shelton.

Business Activities: Specializes in weaving, dyeing, coating and printing of nylon, polyester and mixed fabrics for the apparel, jobbing and industrial trades. The Company also manufactures curtains, drapes and bedspreads.

Plant Location(s): Drummondville, Montmagny, Cowansville, Montreal, Sherbrooke & Coaticook, Quebec, Alexandria, Ontario

Trademarks and/or Brand Names: Maison Condelle, Consoltext, Schuss, Artic Armor, Ski-Slope, Futura, Bruck

Principal Operating Subsidiary:

Consoltext Inc.
125 Chabanel Street West
Montreal, Quebec, Canada

Transfer Agent(s):

Montreal Trust Company
1 Place Ville Marie
Montreal, Quebec H3B 4A8 Canada

15 King Street West
Toronto, Ontario M5H 1B4 Canada

Stock Exchange(s): Montreal, Toronto

Ticker Symbol: CTXM (Montreal), CTXT (Toronto)

Sales & Earnings

	Net Sales	Net Income †
1988	\$ 166,444,000	\$ 8,118,000
1987	149,871,000	10,152,000
1986	138,076,000	7,660,000
1985	128,318,000	4,635,000
1984	129,902,000	4,260,000

	No. of Com. Shares	Earn. per Share †
1988	2,899,309	\$ 2.80
1987	2,899,309	3.50
1986	2,899,309	2.64
1985	2,899,309	1.60
1984	2,899,309	1.47

† Including extraordinary gains of \$465,000 (\$0.16 per share) in 1988, \$2,884,000 (\$0.99 per share) in 1987, \$2,411,000 (\$0.83 per share) in 1986, \$186,000 (\$0.07 per share) in 1985 and \$629,000 (\$0.22 per share) in 1984.

‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 72,957,000	\$ 25.16
1987	64,839,000	22.36
1986	54,687,000	18.86
1985	47,027,000	16.22
1984	42,392,000	14.62

Income Account (000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 166,444	\$ 149,871
Cost of sales & expenses	148,786	132,473
Depreciation	3,165	3,056
Interest expense	1,769	2,014
Inc. bef. taxes	\$ 12,724	\$ 12,328
Income taxes	5,071	5,060
Net Income	\$ 7,653	\$ 7,268
Extraord. gain	465	2,884
Net Income & extrard. gain	\$ 8,118	\$ 10,152

Assets (000's)

As of Dec. 31	1988	1987
Accts. receiv. net	\$ 31,453	\$ 28,729
* Inventories	47,131	53,234
Current Assets	\$ 78,584	\$ 81,963
# Fixed assets	20,394	17,998
Intangibles	1,706	1,706
Total Assets	\$ 100,684	\$ 101,667

Liabilities (000's)

Bank loans & accept.	\$ 6,415	\$ 11,126
Long-term debt, curr.	—	3,500
Accts. payable & accruals	15,739	17,078
Income taxes pay.	2,030	109
Oblig. under cap. leases, curr.	643	232
Curr. Liabilities	\$ 24,827	\$ 32,045
Long-term debt	—	3,500
Oblig. under cap. leases	63	708
Deferred inc. taxes	2,835	575
+ Common stock	16,449	16,449
Retained earnings	56,508	48,390

Total Liabilities & Shareholders' Equity	\$ 100,684	\$ 101,667
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* At lower of cost, replacement cost and net realizable value.

Less accumulated depreciation.

+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	7.64	8.23
% Net Income to Sales	4.60	4.85
% Net Income to Equity	10.49	11.21
Sales to Inventories	3.53	2.82
Debt to Equity	0.10	0.29
Working Capital	\$ 53,757,000	\$ 49,918,000
Current Ratio	3.17	2.56
Shareholders' Equity	\$ 72,957,000	\$ 64,839,000

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1987	£ 10,682,039	97.79p
1986	£ 9,604,724	94.09

† After allowing for preferred stock at stated value.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Statistical Summary

% Income bef. Taxes to Sales	3.06	2.17
% Net Income to Sales	2.54	1.70
% Net Income to Equity	13.69	8.71
Sales to Inventories	6.38	5.52
Debt to Equity	0.70	0.57
Working Capital	£ 4,614,298	£ 4,364,873
Current Ratio	1.28	1.33
Shareholders' Equity	£ 10,732,289	£ 9,654,974

Cosalt plc

Fish Dock Road, Grimsby
South Humberside DN31 3NW, England
(0472) 358881

Directors: E.A. Brian, chairman & chief executive; F.W. Wood, secretary; G.H. Cammille, R.C.F. Lloyd, J.A.B. Kelly.

Business Activities: Textile activities include the distribution of protective, safety and work wear; the manufacture and sale of lifejackets, and the processing of synthetic yarns and fibers.

Textile Subsidiaries:

W&J Knox Fibres Limited
Kilbirnie, U.K.

Engaged in the processing of synthetic yarns and fibers.

T. Young & Son (Sailmakers) Limited
North Shields, U.K.

Manufacture and sale of lifejackets, tarpaulins, nets and wire products.

Registrar:

National Westminster Bank PLC
Registrar's Department
P.O. Box 82
37 Broad Street
Bristol, England

Stock Exchange(s): London

Sales & Earnings

	Net Sales	Net Income †
1987	£ 57,779,663	£ 1,469,276
1986	49,398,138	850,405
1985	41,392,434	909,100
1984	38,783,125	292,433
1983	43,143,823	183,410

	No. of Com. Shares ‡	Earn. per Share ‡
1987	10,923,388	13.43p
1986	10,208,305	8.21
1985	N.A.	8.62
1984	N.A.	1.98
1983	N.A.	0.82

N.A. - Not Available

£ - pound sterling

† Before extraordinary items.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	4.50p	—	—
1986	3.50	—	—
1985	2.75	—	—
1984	0.75	—	—
1983	0.25	—	—

Income Account

Year ended	8/30/87	8/31/86
Net sales	£ 57,779,663	£ 49,398,138
Cost of sales	35,323,094	31,131,640
Other external changes	5,863,815	5,374,334
Expenses	12,165,702	11,167,128
Oper. expenses (income)	623,210	(1,145,432)
Depreciation	833,977	592,959
Gov't grants	(73,215)	(34,323)
Auditors' charges	63,927	54,873
Lease expense	91,463	190,206
Other oper. charges	12,087	28,500
Interest expenses	1,015,672	903,970
Profit-sharing	92,997	56,714

Income before taxes	£ 1,766,934	£ 1,077,569
Income taxes	297,658	227,164
Minority interest	—	9,449

Net Income	£ 1,469,276	£ 840,956
Extraord. item	(222,412)	227,284

Net Income & extraord. item	£ 1,246,864	£ 1,068,240
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Assets

As of	8/30/87	8/31/86
Cash	£ 1,455,817	£ 368,221
Accts. receiv., net	10,389,856	8,381,771
*Inventories	9,058,354	8,947,747
Current Assets	£ 20,904,027	£ 17,697,739
Investments	137,000	137,000
#Fixed assets	9,517,173	8,687,589
Total Assets	£ 30,558,200	£ 26,522,328

Liabilities

Long-term debt, curr.	£ 3,434,549	£ 1,727,059
Accts. payable	8,440,002	7,948,017
Payments on acct.	59,200	—
Amts. owed to assoc. cos.	408,074	412,161
Other creditors	307,632	736,227
Accruals & def. inc.	1,179,642	839,185
Income taxes	1,133,837	790,187
Social Security	214,579	160,797
Dividends payable	302,737	364,129
Oblig. under fin. leases	609,476	355,104
Curr. Liabilities	£ 16,289,729	£ 13,332,866
Long-term debt	1,952,221	2,500,413
Oblig. under fin. leases	1,495,003	960,535
Other liabilities	88,958	73,540
+Preferred stock	50,250	50,250
+Common stock	2,790,548	2,597,781
Share premium acct.	668,162	211,099
Revaluation reserve	1,245,740	1,245,740
Other reserves	1,110,669	1,110,669
Profit and loss acct.	4,866,920	4,439,435
Total Liabilities & Shareholders' Equity	£ 30,558,200	£ 26,522,328

* At lower of cost or net realizable value.

Less accumulated depreciation.

+ £ 1 par value; 5.25% cumulative

++ 25p par value.

CoxMoore plc

(formerly Harold Ingram P.L.C.)

22 Park Street
London W1Y 3SD England
01 491 1719

Directors: Michael Paul Renton, chairman & managing director; Kailash Kanubhai Dal, finance director; Martin Green, Richard John Moore, George Edward Szymborski, Jacqueline Maud Unthank.

Secretary: Keith Fairbrother

Business Activities: The Company's principal activity is the design, manufacture and marketing of knitted garments, but also engages in the production of a variety of apparel and household textiles, and in dyeing activities.

Trademarks and/or Brand Names: CoxMoore, Saville Row, Nelbarden, Swordfish.

Subsidiaries:

Harold Ingram

Abbeygate Mills Limited
Knitwear manufacture and dyeing activities.
G. Ward (Knitwear) Limited
Ingram Dye Works Limited
Rendson Group Limited

Hall & Earl Fabrics Limited

A.E. Charlesworth & Co. Limited
Producers of brushed fabrics for leisurewear, babywear and housecoats.

Wm. Yates (Textiles) Limited
(trade under the name Joshua Hoyle Bed Linen)
Manufactures household textiles, ranging from bedsheets and table linen to continuous roller-toweling.

Hoyle-Butterworth Limited
Manufactures flannelette sheeting and a variety of fabrics for industrial purposes.

Bell Woven Label Company Limited
A printer and weaver of garment labels.

SIDER (27.5% interest)
A French lace-maker and distributor.

Junitec Garments Limited
Supplier of babywear and children's-wear, including anoraks, tracksuits, sportswear and dressing gowns.

Richard Stump Limited
Nottingham, Bridgend, Newcastle, U.K.
Designs, manufactures and markets a wide range of ladies garments.

C. Victor Limited
Manufactures swimwear for men and women under the Swordfish label for men and the Nelbarden label for women.

Hodgkinson & Gillibrand Limited
Manufactures ladies underwear.

Firth & Wilson (Scarborough) Limited

Wincoia Inc. (U.S.)
Manufacture of thermal underwear.

CoxMoore plc

Cox Moore Holdings Limited
Manufactures men's knitwear and markets it under the names CoxMoore and Saville Row.

Registrars:

The Royal Bank of Scotland plc
Registrar's Dept.
P.O. Box 27, 34 Fettes Row
Edinburgh EH3 6UT Scotland

Stock Exchange(s): London

Sales & Earnings

	Net Sales	Net Income †
1987	£ 3,685,137	£ 229,971
1986	5,260,067	187,306

	No. of Com. Shares	Earn. per Share ‡
1987	3,437,304	6.7p
1986	3,300,000	5.7

£ - pound sterling.

† Before extraordinary items.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	3.00p	—	—
1986	3.00	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	£ 2,811,542	81.79p
1986	2,093,636	63.44

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended Apr. 30	1987	1986
Net sales	£ 3,685,137	£ 5,260,067
Cost of sales & expenses	1,492,895	2,122,761
Salary expenses	1,414,946	1,840,796
Depreciation	210,267	202,773
Auditors' charges	15,000	15,000
Other oper. charges	517,551	714,910
Insurance claim	(312,711)	—
Interest expense	1,318	40,053
Income before taxes	£ 345,871	£ 323,774
Income taxes	115,900	136,468
Net Income	£ 229,971	£ 187,306
Extraord. loss	—	(284,034)
Net Income & extraord. loss	£ 229,971	£ (96,728)

Assets

As of Apr. 30	1987	1986
Cash	£ 371,584	£ 421,947
Accts. receiv., net	1,137,838	531,444
*Inventories	820,868	949,077
Current Assets	£ 2,330,290	£ 1,902,468
‡Fixed assets	1,954,307	1,518,849
Total Assets	£ 4,284,597	£ 3,421,317

Liabilities

	£	£
Long-term debt, curr.	42,857	42,857
Accts. payable	360,318	303,583
Other payables	106,052	130,039
Accruals & def. income	167,083	168,162
Income taxes	201,435	161,364
Dividend payable	61,023	57,750
Curr. Liabilities	£ 938,768	£ 863,755
Long-term debt	192,857	235,714
Other liab. & charges	341,430	228,212
+Common stock	348,700	330,000
Add. paid-in capital	298,072	62,936
Revaluation reserve	407,477	68,768
Profit and loss acct.	1,757,293	1,631,932
Total Liabilities & Shareholders' Equity	£ 4,284,597	£ 3,421,317

* At lower of cost and net realizable value.

‡ Less accumulated depreciation.

+ 10p par value.

Statistical Summary

%Income bef. Taxes to Sales	9.39	6.16
%Net Income to Sales	6.24	3.56
%Net Income to Equity	8.18	8.95
Sales to Inventories	4.49	5.54
Debt to Equity	0.08	0.13
Working Capital	£ 1,391,522	£ 1,038,713
Current Ratio	2.48	2.20
Shareholders' Equity	£ 2,811,542	£ 2,093,636

Crocodile Garments Limited

79 Hoi Yuen Road
Kwun Tong, Hong Kong
3-425111

Directors: Shun Chan, chairman & managing director; Tom S. H. Chan, deputy managing director; Tan Chow Ng, executive director; Helen Li, executive director; Charles Y. K. Lee, Caleb Y. M. Chan; John C. N. Chui, secretary

Business Activities: Manufactures, imports, exports, and retails a wide range of garments.

Trademarks and/or Brand Names: Cale Thomas, Bubblegummers.

Subsidiaries:

Crocodile Investment Limited
Crocodile Development Limited
Crocodile Finance Limited
Crocodile Marketing System Limited
The Palm Restaurant Limited
Costroll Company Limited
Duckart Trading Company Limited
Crocodile Garments (U.S.) Limited

Registrar:

Peat, Marwick, Mitchell & Co.

Stock Exchange(s): Hong Kong

Sales & Earnings x

	Net Sales	Net Income
1987	\$ 500,238,961	\$ 58,262,726
1986	442,406,360	46,255,579
	No. of Com. Shares	Earn. per Share ‡
1987	110,000,000	\$ 0.53
1986	110,000,000	0.42

x In Hong Kong dollars.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	\$ 0.40	—	—
1986	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	\$ 196,573,781	\$ 1.79
1986	182,311,055	1.66

Income Account *

Year ended Mar. 31	1987	1986
Net sales	\$ 500,238,961	\$ 442,406,360
Cost of sales & expenses	430,239,733	386,251,776
Income before taxes	\$ 69,999,228	\$ 56,154,584
Income taxes	11,736,502	9,899,005
Net Income	\$ 58,262,726	\$ 46,255,579

* Included in Costs and Expenses, Depreciation and Amortization: \$4,456,037 in 1987 and \$4,364,481 in 1986.

Assets

As of March 31	1987	1986
Cash	\$ 2,095,735	\$ 19,170,618
Debtors, deposits & prepayments	17,522,744	22,218,792
*Stocks	85,553,230	81,677,533
Current Assets	\$ 105,171,709	\$ 123,066,943
Interest in subsid.	122,869,775	59,614,643
‡Fixed assets	19,928,358	19,328,949
Trademarks	1	1
Total Assets	\$ 247,969,843	\$ 202,010,536

Liabilities

Bank loans & overdrafts	\$ 7,049,928	\$ 2,957,011
Accts. payable	3,812,012	6,949,277
Accruals	21,428,109	13,731,809
Taxation	4,369,568	29,200
Proposed final dividend	27,500,000	25,300,000
Curr. Liabilities	\$ 64,159,617	\$ 48,967,297
Long-term debt	24,000,000	—
+Common stock	110,000,000	110,000,000
Reserves	40,000,000	40,000,000
Retained earnings	9,810,226	3,043,239
Total Liabilities & Shareholders' Equity	\$ 247,969,843	\$ 202,010,536

* At lower of cost (FIFO) or net realizable value.

‡ Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.99	12.69
%Net Income to Sales	11.65	10.46
%Net Income to Equity	36.46	30.22
Sales to Inventories	5.85	5.42
Debt to Equity	0.19	0.02
Working Capital	\$ 41,012,092	\$ 74,099,646
Current Ratio	1.64	2.51
Shareholders' Equity	\$ 159,810,226	\$ 153,043,239

Crown Crafts, Inc.

Edmond Street
P.O. Box 12371
Calhoun, Georgia 30701-7005
(404) 629-7941

Officers: Michael H. Bernstein, president & chief executive officer; Philip Bernstein, chairman of the board; Paul A. Criscillis, Jr., v.p.-chief financial officer & treasurer; Rudolph J. Schmatz, v.p.-sales & marketing & secretary.

Directors: Philip Bernstein*, chairman; Michael H. Bernstein*, Rudolph J. Schmatz, Richard N. Toub, Robert Zimmer*, Alfred M. Swiren, Paul A. Criscillis, Jr..

* Member of the Executive Committee

Business Activities: Engaged in the production of comforters and accessories, comforter sets; jacquard woven bedspreads, throws and blankets; also imports woven acrylic throws and lace curtains. Operates two factory outlet stores in Calhoun, Georgia, and Chattanooga, Tennessee.

Trademarks and/or Brand Names: Crown, Crown Crafts.

Plants Location(s): Roxboro, North Carolina; Calhoun & Dalton, Georgia.

Subsidiaries:

Crown Crafts Home Furnishings, Inc.
339 Fifth Avenue
New York, New York 10016
(212) 725-1520

Crown Crafts Home Furnishings of Illinois, Inc.
Merchandise Mart, Room 1344
Chicago, Illinois 60654
(312) 822-0430

Crown Crafts Home Furnishings of California, Inc.
870 Market Street
Suite 556
San Francisco, California 94102
(415) 362-3191

Transfer Agent(s):

Trust Company of Georgia
Atlanta, Georgia

Stock Exchange(s):

American

Ticker Symbol: CRW

Sales & Earnings

	Net Sales	Net Income
1989	\$ 91,395,000	\$ 6,377,000
1988*	72,166,000	5,393,000
1987	53,789,000	2,790,000
1986	41,753,000	641,000
1985	33,606,000	(348,000)

	No. of Com. Shares +	Earn. per Share +
1989	3,394,939	\$ 1.88
1988*	3,414,024	1.58
1987	3,328,415	0.84
1986	3,164,880	0.20
1985	3,237,018	—

* 53 weeks.

+ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	10%	—
1988	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	\$ 22,574,000	\$ 6.65
1988	16,534,000	4.84
1987	10,797,000	3.24
1986	7,782,000	2.46
1985	7,363,000	2.27

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend and stock split.

Income Account *

Year ended	4/2/89	4/3/88
Net sales	\$ 91,395,000	\$ 72,166,000
Cost of sales	69,978,000	54,653,000
Expenses	10,463,000	9,152,000
Interest expense	1,150,000	793,000
Gain from insurance proceeds	—	(1,429,000)
Other income	(380,000)	(154,000)
Income before taxes	\$ 10,184,000	\$ 9,151,000
Income taxes	3,807,000	3,758,000
Net Income	\$ 6,377,000	\$ 5,393,000

* Included in Costs and Expenses, Depreciation and Amortization: \$1,721,000 in 1989 and \$1,216,000 in 1988.

Assets

As of	4/2/89	4/3/88
Cash	\$ 328,000	\$ 163,000
Accts. receiv., net	10,457,000	9,276,000
*Inventories	19,264,000	17,610,000
Other current assets	908,000	309,000
Current Assets	\$ 30,957,000	\$ 27,358,000
#Fixed assets	12,357,000	10,830,000
Total Assets	\$ 43,314,000	\$ 38,188,000

Liabilities

Notes payable	\$ 400,000	\$ 5,600,000
Long-term debt, curr.	2,003,000	305,000
Accts. payable	5,272,000	5,693,000
Income taxes pay.	352,000	113,000
Accruals	2,183,000	2,283,000
Total curr. liabilities	\$ 10,210,000	\$ 13,994,000
Long-term debt	8,470,000	5,673,000
Deferred inc. taxes	1,330,000	989,000
Other liab.	730,000	998,000
+Common stock	3,383,000	2,983,000
Add. paid-in capital	6,837,000	891,000
Retained earnings	13,051,000	12,735,000
Treasury stock	(697,000)	(74,000)
Loans receivable	—	(3,000)
Total Liabilities & Shareholders' Equity	\$ 43,314,000	\$ 38,188,000

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.14	12.68
%Net Income to Sales	6.98	7.47
%Net Income to Equity	28.25	32.62
Sales to Inventories	4.74	4.10
Debt to Equity	0.48	0.70
Working Capital	\$ 20,747,000	\$ 13,364,000
Current Ratio	3.03	1.95
Shareholders' Equity	\$ 22,574,000	\$ 16,534,000

CrownAmerica, Inc.

701 Chattanooga Avenue
Dalton, Georgia 30720
(404) 278-1422

Officers: David D. Hamilton, president; E. Dean Smith, v.p.; G. Lane Hamilton, secretary & treasurer; Jean I. Nations, asst. secretary.

Directors: David D. Hamilton, G. Lane Hamilton, William C. Bowen, III, Whitney Durand, H. Eugene Kinney, James H. Patton, IV.

Business Activities: Engaged in the production and processing of yarn for the carpet industry.

Plant Location(s): Dalton & Valdosta, Georgia; Heerlen, The Netherlands.

Subsidiaries:

Texture-Tex, Inc.
Dalton & Valdosta, Georgia
Engaged in the processing of heat-set filament and spun yarn for the carpet industry.

Dalton Warehouse Services, Inc.
Dalton, Georgia
Warehouse and leasing subsidiary.

Texture-Tex (Europe) B.V.
Heerlen, The Netherlands
Processing of synthetic yarn.

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s):

Over-the-Counter

Ticker Symbol: CRNA (NASDAQ)

Sales & Earnings

	Net Sales ‡	Net Income
1988	\$ 93,885,134	\$ 1,411,598
1987	90,399,203	750,009
1986	87,143,995	1,625,834
1985	60,750,633	398,375
1984	58,153,031	2,067,750

	No. of Com. Shares #	Earn. per Share #
1988	1,087,009	\$ 1.30
1987	1,150,000	0.65
1986	1,150,000	1.41
1985	1,167,096	0.34
1984	1,191,949	1.73

‡ Includes processing income.

Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 0.400	—	—
1987	0.400	—	—
1986	0.325	—	—
1985	0.250	—	—
1984	0.455	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 15,810,537	\$ 14.54
1987	15,796,420	13.74
1986	15,260,554	13.27
1985	13,334,430	11.43
1984	13,291,763	11.15

‡ Based on the average number of shares outstanding.

CrownAmerica, Inc.

Income Account *

Year ended Aug. 31	1988	1987
Net sales & processing income	\$ 93,885,134	\$ 90,399,203
Cost of sales	85,789,608	81,921,913
Expenses	6,094,918	6,146,006
Interest expense	905,093	901,728
Interest income	(48,094)	(37,501)
Other income	(339,359)	(407,852)
Inc. bef. taxes	\$ 1,482,998	\$ 1,875,009
Inc. taxes	571,400	1,125,000
Cum. effect of acct. change	(500,000)	—
Net Income	\$ 1,411,598	\$ 750,009

* Included in Costs and Expense, Depreciation and Amortization: \$2,549,036 in 1988 and \$2,346,258 in 1987.

Assets

As of Aug. 31	1988	1987
Cash	\$ 666,575	\$ 1,811,350
Short-term investments	483,152	1,013,211
Accts. receiv., net	10,431,373	15,146,765
*Inventories	3,419,654	5,348,537
Prepaid expenses	569,611	675,114
Net invest. in Texture-Tex	3,747,556	—
Current Assets	\$ 19,317,921	\$ 23,994,977
#Fixed assets	11,051,595	16,482,055
Other assets	102,261	264,934
Total Assets	\$ 30,473,777	\$ 40,741,966

Liabilities

Notes payable	\$ 4,130,821	\$ 3,201,611
Long-term debt, curr.	622,840	1,137,963
Accts. payable	5,760,270	10,312,002
Accrued profit sharing	130,000	110,000
Accrued compensation	293,451	577,496
Other accruals	421,422	920,371
Inc. taxes payable	36,919	44,493
Deferred income taxes	82,000	124,650
Curr. Liabilities	\$ 11,477,772	\$ 16,428,586
Long-term debt	2,241,824	5,953,253
Deferred income taxes	488,000	1,759,640
Cap. lease obligations	455,643	804,077
+Common stock	2,600,000	2,600,000
Add. paid-in capital	1,152,353	1,152,353
Retained earnings	13,047,792	12,072,484
Treasury stock	(1,626,585)	(910,434)
Eq. adjust. from foreign curr. trans.	636,977	882,017
Total Liabilities & Shareholders' Equity	\$ 30,473,777	\$ 40,741,966

* At lower of cost (LIFO) or market.
Less accumulated depreciation.
+ No par value; \$2 stated value.

Statistical Summary

%Income before Taxes		
to Sales	1.58	2.07
%Net Income to Sales	1.50	0.83
%Net Income to Equity	8.93	4.75
Debt to Equity	0.47	0.38
Working Capital	\$ 7,840,148	\$ 7,566,391
Current Ratio	1.68	1.46
Shareholders' Equity	\$ 15,810,537	\$ 15,796,420

Officers: Richard F. Kral, chairman of the board & chief exec. officer; Gerald M. Chaney, v.p. & chief financial officer; Michael B. McLearn, v.p., general counsel & secretary; Charles J. Smith, exec. v.p.; Edward B. Dailey, exec. v.p.; Robert J. Wichser, president-Women's Apparel Group; Jay Shaw, president-Men's Sportswear Group; Brian J. Tart, exec. v.p.; James D. Wilson, v.p.-human resources; John Schofield, v.p.-worldwide sourcing; Jeffrey Jablow, president-Izod Lacoste Youthwear; James A. Northrop, president-Crystal Brands Jewelry; Charles Sakmann, president-Golf & Tennis Division; Ralph L. Shannon, president-Retail Group.

Directors: Richard F. Kral, chairman; John H. Mullin, III, Francis C. Rooney, Jr., Gordon E. Allen, Allan J. Blostein.

Business Activities: Manufactures and markets men's, women's, and children's tailored clothing, dress furnishings, and sportswear under the Izod, Lacoste, Ship'n Shore, Palm Beach, Evan-Picone, Gant, Haspel, John Weitz, Eagle Shirtmakers, Calvin Clothing, Polo by Ralph Lauren for Boys, Pierre Cardin for Boys, Hunter Haig, Turnbull, Brannoch, Fulcrum, Milano, William Barry, Blassport, and Austin-Hill brand names, and costume jewelry and accessories under the brand names Monet, Trifari, and Marvella. Also operates over 40 retail stores and factory outlets that sell excess and out-of-season apparel, and 43 apparel departments within department stores throughout the country.

Trademarks and/or Brand Names: Izod, Lacoste, Izod Lacoste, Ship'n Shore, Lacoste Club, Izod Club, Izod Classics, Ship'n Shore for Me, Palm Beach, Evan-Picone, EPS Evan-Picone Sport, Even-Picone for Men, Gant, Haspel, John Weitz*, Eagle Shirtmakers, Calvin Clothing, Polo by Ralph Lauren for Boys*, Pierre Cardin for Boys*, Hunter Haig, Turnbull, Brannoch, Fulcrum, Milano, William Barry, Blassport, Austin Hill, Innervisions, Monet, Trifari, Marvella, Fulcrum, Celebrity by Palm Beach, Firenze, Adler, Gant for Boys. *Licensed

Plant Locations: Baxley, Georgia; Corozal, Dorado, Puerto Rico; High Point, North Carolina; Pawtucket, Warwick, Rhode Island; San Pedro, Dominican Republic; Travelers Rest, South Carolina; Knoxville, Tennessee; Talladega, Alabama; Lebanon, Erlanger, Danville & Somerset, Kentucky; North Bergen, New Jersey; Gallitzin, Reading, Allentown & Mahanoy City, Pennsylvania; New Bedford, Massachusetts; Salisbury, Maryland.

Divisions and Subsidiaries:

Izod, Ltd. (men's, women's and children's sportswear)
Fashion Flair, Inc. (retail operations)
Golf & Tennis Division (active sportswear for men, women and children)
Ship'n Shore, Inc.
Bridgewater-at-Aston
Aston, Pennsylvania 18014
(215) 494-2000
Apparel for women.
Monet
P.O. Box 376
Murray Hill Station
New York, New York 10016
(212) 725-4700
Fashion jewelry.

Acquisitions:

Palm Beach Incorporated
400 Pike Street
Cincinnati, Ohio 45202
(513) 241-4260
Designs, manufactures, and markets tailored suits, sportcoats, and sportswear for men and boys, and contemporary dresses, separates and tailored sportswear for women.
Trifari, Krussman and Fisher, Inc.
Produces and markets fine-quality costume jewelry under the Trifari and Marvella brand names.

Transfer Agent(s):

The Bank of New York
Stock Transfer Administration
90 Washington Street
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: CBR **NOTE:** Crystal Brands, Inc. was formerly the Fashion Group of General Mills, Inc. Effective Nov. 1, 1985, the Company became an independent publicly owned corporation and ceased operating as a unit of General Mills.

Sales & Earnings

	Net Sales	Net Income †
12/31/88	\$ 432,465,000	\$ 14,648,000
12/27/87	359,814,000	15,993,000
12/28/86*	367,607,000	8,572,000
5/25/86	395,035,000	2,385,000
5/26/85	481,930,000	(43,372,000)
	No. of Com. Shares ‡	Earn. per Share ‡
12/31/88	9,000,591	\$ 1.63
12/27/87	8,966,489	1.78
12/28/86*	8,956,454	0.96
5/25/86	8,953,887	0.27

(Loss)

* Unaudited.

† Including extraordinary gain of \$2,626,000 (\$0.29 per share) in 1987.

‡ Based on the weighted average number of common shares outstanding during the year.

Common Stock Equity

	Total Equity	Equity Per Share ‡
12/31/88	\$ 219,753,000	\$ 24.42
12/27/87	205,937,000	22.97
12/28/86	188,657,000	21.06
5/25/86	187,845,000	20.98

‡ Based on the weighted average number of common shares outstanding during the year.

Income Account (000's)

Year ended	12/31/88	12/27/87
Net sales	\$ 432,465,000	\$ 359,814,000
Cost. of sales	272,714,000	230,020,000
Expenses	131,816,000	102,443,000
Interest expense	5,453,000	3,729,000
Inc. before taxes	\$ 22,482,000	\$ 23,622,000
Income taxes	7,834,000	10,255,000
Net Income	\$ 14,648,000	\$ 13,367,000
Extraord. gain	—	2,626,000
Net income & extraord. gain	\$ 14,648,000	\$ 15,993,000

* Included in Costs and Expenses, Depreciation and Amortization: \$11,198,000 in 1988 and \$8,136,000 in 1987.

Assets (000's)

As of	12/31/88	12/27/87
Cash & cash equiv.	\$ 32,944	\$ 72,205
Accts. receiv., net	102,995	43,771
*Inventories	238,817	91,117
Other curr. assets	11,281	2,666
Current Assets	\$ 386,041	\$ 209,759
#Fixed assets	105,455	52,015
Goodwill	145,546	33,964
Intangibles	88,157	4,361
Other assets	8,967	5,363
Total Assets	\$ 734,186	\$ 305,462

Crystal Brands, Inc.

Crystal Brands Road
Southport, Connecticut 06490
(203) 254-6200

Liabilities
(000's)

Short-term debt & long-term debt, curr.	\$ 64,341	\$ 5,736
Accts. payable	53,209	12,317
Accrued expenses	28,379	11,945
Accrued payroll	16,746	9,537
Accrued interest	2,766	1,596
Accrued inc. taxes	5,620	1,291
Other accruals	1,184	1,564
Curr. Liabilities	\$ 172,245	\$ 43,986
Long-term debt	331,642	50,228
Deferred inc. taxes & other liab.	10,546	5,311
+Common stock	187,056	185,975
Retained earnings	30,445	17,598
Cum. for curr. trans.	2,252	2,364
Total Liabilities & Shareholders' Equity	\$ 734,186	\$ 305,462

* At lower of cost (FIFO) or market, certain domestic inventories at LIFO.

Less accumulated depreciation.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	5.20	6.57
%Net Income to Sales	3.39	3.71
%Net Income to Equity	6.67	6.49
Sales to Inventories	1.81	3.95
Debt to Equity	1.80	0.27
Working Capital	\$ 213,796,000	\$ 165,773,000
Current Ratio	2.24	4.77
Shareholders' Equity	\$ 219,753,000	\$ 205,937,000

Culp, Inc.

2020 Logan Street
P.O. Box 2686
High Point, North Carolina 27261
(919) 889-5161

Officers: Robert G. Culp, Jr., chairman of the board; Robert G. Culp, III, president & chief executive officer; Howard L. Dunn, Jr., exec. v.p.; Franklin N. Saxon, v.p., chief financial officer & treasurer; Kenneth M. Ludwig, v.p., human resources; Sharyn M. Andrews, v.p. & secretary; Larry S. Coltrain, v.p.; Donald W. Coleman, v.p.; A. Wilson Adams, v.p..

Directors: Robert G. Culp, Jr., chairman; Donald W. Coleman, Robert G. Culp, III, Howard L. Dunn, Jr., Larry S. Coltrain, Earl M. Honeycutt, Baxter P. Freeze, Sr., Bland W. Worley, G. Allen Mebane, IV, Judith C. Wilson, Patrick H. Norton, Franklin N. Saxon.

Business Activities: Manufactures and markets upholstery fabrics (dobby and jacquard flat weaves, prints, knits and tufted, woven and flocked velvets), and mattress ticking (heat-transfer printed ticking and domestically produced and imported damask ticking).

Plant Location(s): Stokesdale, Burlington and Graham, North Carolina; Anderson and Pageland, South Carolina.

Divisions and Subsidiaries:

Transfer Agent(s):

First Union National Bank
First Union Plaza
Charlotte, North Carolina 28288

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CULP (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1988	\$ 172,991,000	\$ 2,713,000
1987	180,146,000	5,205,000
1986	150,747,000	4,339,000
1985	131,374,000	3,622,000
1984	130,930,000	3,705,000
	No. of Com. Shares †	Earn. per Share ‡
1988	4,425,848	\$ 0.61
1987	4,425,848	1.18
1986	4,357,923	1.00
1985	4,335,848	0.84
1984	3,911,079	0.95

† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 0.08	—	—
1987	0.08	—	—
1986	0.08	—	—
1985	0.08	—	—
1984	0.02	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 44,876,000	\$ 10.14
1987	42,405,000	9.58
1986	37,452,000	8.59
1985	32,623,000	7.52
1984	29,340,000	7.50

‡ Based on the weighted average number of common share and common share equivalents outstanding.

Income Account *

Year ended	4/30/88	5/2/87
Net sales	\$ 172,991,000	\$ 180,146,000
Cost of sales	142,245,000	141,141,000
Expenses	25,250,000	27,217,000
Interest expense	2,566,000	1,929,000
Other expense (income)	(1,591,000)	289,000
Income before taxes	\$ 4,521,000	\$ 9,570,000
Income taxes	1,808,000	4,365,000
Net Income	\$ 2,713,000	\$ 5,205,000

* Included in Costs and Expenses, Depreciation: \$5,366,000 in 1988 and \$4,762,000 in 1987.

Assets

As of	4/30/88	5/2/87
Cash	\$ 6,000	\$ 6,000
Accts. receiv., net	25,236,000	31,764,000
*Inventories	34,765,000	31,103,000
Other curr. assets	4,626,000	1,576,000
Current Assets	\$ 64,633,000	\$ 64,449,000
Investment in market secur.	3,792,000	6,907,000
#Fixed assets	32,773,000	26,071,000
Other assets	2,649,000	904,000
Total Assets	\$ 103,847,000	\$ 98,331,000

Liabilities

Long-term debt, curr.	\$ 3,712,000	\$ 2,797,000
Accts. payable & accruals	16,770,000	18,055,000
Curr. Liabilities	\$ 20,482,000	\$ 20,852,000

Long-term debt	36,091,000	32,703,000
Deferred comp.	350,000	814,000
Deferred inc. taxes	2,048,000	1,557,000
+Common stock	221,000	221,000
Add. paid-in capital	15,173,000	15,173,000
Unearned comp. under stock option	—	(112,000)
Retained earnings	29,482,000	27,123,000
Total Liabilities & Shareholders' Equity	\$ 103,847,000	\$ 98,331,000

* At lower of cost (primarily LIFO) or market.

Less accumulated depreciation.

+ \$0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.61	5.31
%Net Income to Sales	1.57	2.89
%Net Income to Equity	6.05	12.27
Sales to Inventories	4.98	5.79
Debt to Equity	0.89	0.84
Working Capital	\$ 44,151,000	\$ 43,597,000
Current Ratio	3.16	3.09
Shareholders' Equity	\$ 44,876,000	\$ 42,405,000

CWC Industries Inc.

499 Seventh Avenue
New York, New York 10018
(212) 244-3000

Officers: Robert Weinstein, president & treasurer; Norman Burd, vice president; Joan Weinstein, secretary.

Directors: Robert Weinstein, Norman Burd, Joan Weinstein.

Business Activities: Designs, manufactures and sells ready-to-wear ladies' coats, all-weather coats, and suits in the medium-price range, including casual wear and un-trimmed coats. Markets its apparel lines under the names, "Charles Weinstein Coat Co., Inc.," "Central Park," and "Central Park Zoo," mostly in misses and junior sizes.

Divisions and Subsidiaries:

Central Park
Central Park Zoo
Charles Weinstein Coat Co., Inc.

All at:
499 Seventh Avenue
New York, New York 10018

Reymoor Modes, Inc.
60 Enterprise Avenue
Secaucus, New Jersey 07094
Operates a retail store which sells surplus inventory, irregulars and surplus piece goods.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Sales & Earnings

	Net Sales	Net Income
1988	\$ 14,613,737	\$ 91,494
1987	14,089,429	124,338
1986	12,245,894	96,589
1985	10,477,690	98,099
1984	11,672,382	75,940

CWC Industries Inc.

	No. of Com. Shares	Earn. Per Share ‡
1988	426,182	\$ 0.21
1987	421,182	0.29
1986	421,182	0.23
1985	412,182	0.24
1984	412,182	0.18

‡ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 1,994,212	\$ 4.68
1987	1,891,518	4.49
1986	1,756,487	4.26
1985	1,653,298	4.01
1984	1,555,199	3.77

Income Account *

Year ended Dec. 31	1988	1987
Net sales	\$ 14,613,737	\$ 14,089,429
Cost of sales	12,106,795	11,871,606
Expenses	2,264,435	1,943,834
Interest expense	83,663	47,301
Income before taxes	\$ 158,843	\$ 226,688
Income taxes	67,349	102,350
Net Income	\$ 91,494	\$ 124,338

* Included in Costs and Expenses, Depreciation and Amortization: \$54,927 in 1988 and \$60,298 in 1987.

Assets

As of Dec. 31	1988	1987
Cash	\$ 270,329	\$ 401,431
Accts. receiv., net	1,943,235	2,080,918
*Inventories	1,657,046	1,355,264
Prepaid expenses	75,887	56,436
Loans receivable	2,087	4,000
Current Assets	\$ 3,948,584	\$ 3,898,049
*Fixed assets	99,198	113,480
Other assets	153,970	113,499
Total Assets	\$ 4,201,752	\$ 4,125,028

Liabilities

Bank acceptances	\$ 1,426,064	\$ 1,423,014
Notes payable	216,842	216,742
Accts. payable	376,215	350,396
Loans payable	9,939	—
Accruals	163,599	171,270
Income taxes	14,881	71,988
Curr. Liabilities	\$ 2,207,540	\$ 2,233,510
+Common stock	4,497	4,497
Add. paid-in capital	629,385	629,385
Retained earnings	1,407,448	1,315,954
Treasury stock	(18,184)	(18,184)
Unamort. deferred comp.	(28,934)	(40,134)
Total Liabilities & Shareholders' Equity	\$ 4,201,752	\$ 4,125,028

* At lower of cost (FIFO) or market.

‡ Less accumulated depreciation.

+ \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.09	1.60
%Net Income to Sales	0.63	0.88
%Net Income to Equity	4.59	6.55
Sales to Inventories	8.82	10.39
Debt to Equity	0.82	0.87
Working Capital	\$ 1,741,044	\$ 1,564,539
Current Ratio	1.79	1.75
Shareholders' Equity	\$ 1,994,212	\$ 1,891,518

Damon Creations, Inc.

1370 Avenue of the Americas
New York, New York 10019
(212) 399-3500

(Damon Holdings, Inc., a wholly owned subsidiary of South China (Jersey) Holdings, Ltd., owns 88.5% of the Company's common stock.)

Officers: Richard Lee, chairman of the board; Harry Lee, vice chairman; V. Jerome Kaplan, president & chief executive officer; Donald Yeung, v.p. & chief financial officer; Matthew Totilo, exec. v.p.-B.D. Baggies; Jimmy Mak, v.p.-administration; Walter Bearden, exec. v.p.-Foxcroft; Lawrence Smith, exec. v.p.-operations; Lawrence Talish, exec. v.p.-sales; Bruce Paynter, v.p.-finance & chief accounting officer; Angelo Fusaro, v.p.-corp. affairs, treasurer & secretary.

Directors: Richard Lee, chairman; Harry Lee, V. Jerome Kaplan, Donald Yeung, Matthew Totilo, Jimmy Mak.

Business Activities: Designs, manufactures and sells men's furnishings (neckwear, dress shirts, etc.) and sportswear (shirts, leisure wear, swim wear, and sweaters). Manufactures and markets women's sportswear under the "Foxcroft" label and under private labels. Also operates 13 outlet stores throughout the eastern U.S. These stores primarily retail merchandise produced by the Company.

Trademarks and/or Brand Names: Damon, Enro, Foxcroft, B.D. Baggies, Reed St. James.
*Under a licensing agreement.

Plant Locations: Newberry, South Carolina; Louisville, Kentucky.

Divisions:

Enro Shirt Division
Major product lines are men's dress shirts and sportswear.

B.D. Baggies Division
The major product line is 100% cotton dress shirts.

Damon Furnishings Division
Manufactures and markets moderate and upper-moderate men's dress shirts and neckwear.

Damon Sportswear Division
Manufactures and markets knits and sweaters, woven sports shirts and swimwear.

Foxcroft Division
Manufactures and markets women's better sportswear.

Subsidiaries:

Damon International Ltd.
Newberry, South Carolina

Damon Creations International Ltd.
1470 Peel Street
Montreal 110, Quebec, Canada

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: DNI

Sales & Earnings

	Net Sales	Net Income
1988*	\$ 68,388,000	\$ (16,103,000)
1987	69,025,000	(5,464,000)
1986+	11,551,000	(2,241,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1988*	2,339,000	\$ —
1987	1,881,000	—
1986+	1,726,000	—

(Loss)

* 9 months.

+ 3 months.

‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ (17,515,562)	\$ —
1987	(1,309,291)	—
1987	(1,240,735)	—

(Deficiency)

‡ Based on the weighted average number of common shares outstanding.

Income Account *

Year ended	3/31/89 (9 months)	7/2/88
Net sales	\$ 68,387,722	\$ 69,025,289
Cost of sales	53,203,545	47,869,165
Expenses	25,715,329	20,952,461
Amort. of intangibles	686,477	395,036
Eq. in loss of Damon prior to merger	—	525,000
Interest expense	4,885,032	4,547,852
Net Loss	\$ (16,102,661)	\$ (5,464,225)

* Included in Costs and Expenses, Depreciation and Amortization: \$1,300,732 in 1988 and \$294,042 in 1987.

Assets

As of	3/31/89	7/2/88
Cash	\$ 355,476	\$ 620,160
Accts. receiv., net	18,928,951	17,053,114
*Inventories	28,648,446	24,924,988
Prepaid expenses & sundry curr. assets	1,508,375	1,404,659
Current Assets	\$ 49,441,248	\$ 44,002,921
*Fixed assets	9,487,018	7,888,642
Other assets	3,490,453	4,510,188
Total Assets	\$ 62,418,719	\$ 56,401,751

Liabilities

Notes payable	\$ 25,190,665	\$ 41,327,577
Long-term debt, curr.	145,600	—
Accts. payable	14,112,697	12,750,091
Accruals	4,515,289	3,633,374
Curr. Liabilities	\$ 43,964,251	\$ 57,711,042
Long-term debt	518,086	—
Due to majority shareholder	35,451,944	—
+Common stock	2,396,969	2,396,969
Add. paid-in capital	3,998,700	3,998,700
Retained earnings (deficit)	(23,807,621)	(7,704,960)
Treasury stock	(103,610)	—
Total Liabilities & Shareholders' Equity	\$ 62,418,719	\$ 56,401,751

* At lower of cost (FIFO) or market.

‡ Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

Sales to Inventories	2.39	2.77
Working Capital	\$ 5,476,997	—
Current Ratio	1.12	—
Shareholders' Equity (Deficit)	\$ (17,515,562)	\$ (1,309,291)

Dash Industries, Inc.

2563 North Miami Avenue
Miami, Florida 33137
(305) 573-8000

Officers: Philip Dash, chairman & chief exec. officer; Jay Dash, president; Larry Pierpoint, exec. v.p. & national sales mgr.; Myron Gulkar, controller and secretary-treasurer.

Directors: Philip Dash, chairman; Jay Dash, Steven Shapiro, Lee Milich, Wes Farrell.

Business Activities: Engaged in the production and marketing of fabric and wallcovering products.

Trademarks and/or Brand Names: David & Dash.

Subsidiaries:

David and Dash International, Inc.
2563 N. Miami Avenue
Miami, Florida 33137
Foreign sales corporation.

Transfer Agent(s):

Trust Company of New Jersey
35 Journal Square
Jersey City, New Jersey 07306

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DASH (NASDAQ)

Sales & Earnings

	Net Sales	Net Income †
1988	\$ 19,037,021	\$ 207,140
1987	18,174,913	301,174
1986	16,960,672	(793,049)
1985	18,206,274	403,659
1984	16,779,955	305,095

	No. of Com. Shares	Earn. per Share † ‡
1988	7,598,612	\$ 0.03
1987	7,598,612	0.04
1986	7,598,612	—
1985	7,498,612	0.05
1984	7,398,612	0.06

(Loss)

† Including extraordinary gains of \$75,158 (\$0.01 per share) in 1988, \$38,572 (\$0.01 per share) in 1987, \$42,621 in 1985 and \$77,851 (\$0.01 per share) in 1984.

‡ Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 5,059,335	\$ 0.67
1987	4,852,195	0.64
1986	4,551,021	0.60
1985	5,287,820	0.71
1984	4,841,961	0.65

Income Account *

Year ended Nov. 30	1988	1987
Net sales	\$ 19,037,021	\$ 18,174,913
Cost of sales	10,996,403	10,179,650
Expenses	7,256,403	7,200,400
Interest expense	562,856	451,067
Income bef. taxes	\$ 221,159	\$ 343,796

Income taxes	89,177	81,194
Net Income	\$ 131,982	\$ 262,602
Extraord. gain.	75,158	35,572
Net Income & extraord. gain	\$ 207,140	\$ 301,174

* Included in Costs and Expenses, Depreciation and Amortization: \$231,741 in 1988 and \$221,310 in 1987.

Assets

As of Nov. 30	1988	1987
Cash	\$ 359,135	\$ 503,171
Accts. & notes receiv., net	2,876,477	2,251,754
*Inventories	7,250,486	8,216,575
Prepaid expenses	293,514	39,634
Def. inc. tax benefit	19,920	—
Current Assets	\$ 10,799,532	\$ 11,011,134
#Fixed assets	1,448,543	1,520,306
Other assets	216,323	217,545
Total Assets	\$ 12,464,398	\$ 12,748,885

Liabilities

Long-term debt, curr.	\$ 89,107	\$ 84,608
Accts. payable	2,516,238	3,204,384
Accruals	188,901	297,833
Income taxes	—	23,480
Curr. Liabilities	\$ 2,794,246	\$ 3,610,305
Long-term debt	4,610,817	4,286,385
+Common stock	5,049	5,049
Add. paid-in capital	3,911,537	3,911,537
Retained earnings	1,142,749	935,609
Total Liabilities & Shareholders' Equity	\$ 12,464,398	\$ 12,748,885

* At lower of cost (LIFO) or market.
Less accumulated depreciation and amortization.
+ \$5,000,666 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.16	1.89
%Net Income to Sales	0.69	1.44
%Net Income to Equity	2.61	5.41
Sales to Inventories	2.63	2.21
Debt to Equity	0.93	0.90
Working Capital	\$ 8,005,286	\$ 7,400,829
Current Ratio	3.86	3.05
Shareholders' Equity	\$ 5,059,335	\$ 4,852,195

Dawson International plc

9 Charlotte Square
Edinburgh, EH2 4DR, Scotland
031-220 1919

Directors: Sir Alan Smith, president; R.A.B. Miller, chairman & chief executive; W.R. Alexander, D.L.D. Blackburn, J.E. Bolton, J.D. Embrey, B.S. Faulkner, P.W. Kemp, K. Fox, T. Sharp, W.A. Simpson, M.S. Watts, H. Somerville, secretary

Business Activities: Manufactures fully fashioned knitwear and clothing, fleece fabrics, fur fabrics, velvets, shower curtains and bathroom accessories. Weaves specialized upholstery fabrics and fine cloths. Engages in the spinning of carpet yarn, woolen yarn, worsted yarn, wool, cashmere and lambewool. Manufactures thermal knitwear and winter clothing. Operates two "Cashmere Cashmere" retail clothing stores in New York City and Chicago, and "Pringle" retail clothing stores in Scotland and West Germany.

Trademarks and/or Brand Names: Ballantyne, Barrie, Dralon, Glenmac, McGeorge, Pringle of Scotland, Braemar, Oscar de la Renta, Cashmere Cashmere, Cashmere & Company, Wake Up America!, H. Robert Noble, Braemar International, Duofold, J.E. Morgan.

Subsidiaries (Great Britain):

The Ballantyne Sportswear Co. Ltd.
Manufacture of Ballantyne branded fully fashioned knitwear and clothing.

Barrie Knitwear Ltd.
Manufacture of Barrie branded fully fashioned knitwear.

Blackwood Brothers Ltd.
Carpet yarn spinning.

British Replin Ltd.
Weaving of specialized upholstery fabrics.

Cowper and Tordoff Ltd.
Distributes fleece and sliver knitted fur fabrics.

Glenmac Knitwear (Hawick) Ltd.
Manufacture of Glenmac branded fully fashioned knitwear.

Laidlaw & Fairgrieve Ltd.
Woolen yarn spinning.

J. & D. McGeorge Ltd.
Manufacture of McGeorge branded fully fashioned knitwear.

Robert Noble Ltd.
Weaving of fine cloths.

Pennine Fur Fabrics Ltd.
Manufactures sliver knitted fur fabrics.

Pringle of Scotland Ltd.
Manufacture of Pringle of Scotland branded fully fashioned knitwear and clothing.

Braemar Knitwear Ltd.
Manufacture of Braemar fully fashioned knitwear.

Todd & Duncan Ltd.
Woolen, cashmere and lambewool spinning.

Joseph Dawson Ltd.
Cashmere dehairing, commission woolcombing.

Dawson Fur Fabrics Ltd.
Manufacture of fleece fabrics, fur fabrics and Dralon velvets.

Subsidiaries (U.S.A.):

Associated Products Inc.
Manufacture and distribution of shower curtains and bathroom accessories.

Cashmere Cashmere Inc.
Operates two retail stores that sell a wide range of cashmere goods. These stores are located in New York City and Chicago.

Dawson Consumer Products Inc.

Dawson International (U.S.A.) Inc.
Marketing and distribution of knitwear, cashmere garments, and other clothing.

Duofold Inc.
Manufacture of Duofold branded winter clothing.

J.E. Morgan Knitting Mills Inc.
Manufacture of J.E. Morgan branded thermal knitwear.

Registrar:

Clydesdale Bank plc
P.O. Box 124
The Guild Hall
57 Queen Street
Glasgow, G1 3EA, Scotland

Sales & Earnings

	Net Sales	Net Income †
1989	£ 351,903,000	£ 21,872,000
1988	355,313,000	31,446,000
1987	334,433,000	26,832,000
1986	285,194,000	21,893,000
1985	265,633,000	21,801,000

Dawson International plc

	No. of Com. Shares †	Earn. per Share † ‡
1989	153,564,731	18.1p
1988	152,318,237	20.4
1987	148,715,437	20.1
1986	142,149,688	18.5
1985	N.A.	15.6

N.A. - Not Available.

£ - pound sterling

† Including extraordinary gain of £ 406,000 (0.3p per share) in 1988 and extraordinary losses of £ 6,413,000 (4.2p per share) in 1989, £ 2,997,000 (2.0p per share) in 1987 and £ 4,340,000 (3.1p per share) in 1986.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	8.6p	—	—
1988	7.8	—	—
1987	6.9	—	—
1986	6.2	—	—
1985	5.5	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	£ 163,856,000	106.7p
1988	172,111,000	113.0
1987	157,851,000	106.1
1986	137,963,000	97.1
1985	125,335,000	—

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Mar. 31	1988	1987
Net sales	£ 351,903	£ 355,313
Cost of sales	252,980	252,635
Distribution costs	29,849	31,177
Administration expenses	25,462	25,380
Other oper. income	(1,416)	(1,274)
Interest income	(3,735)	(4,122)
Interest expense	5,713	4,507
Income before taxes	£ 43,050	£ 47,010
Income taxes	14,765	15,970
Net Income	£ 28,285	£ 31,040
Extraord. items	(6,413)	406
Net Income & extraord. loss	£ 21,872	£ 31,446

* Included in Costs and Expenses, Depreciation: £ 9,288,000 in 1989 and £ 9,196,000 in 1988.

Assets

As of Mar. 31	1989	1988
Cash	£ 44,302	£ 42,195
Accts. receiv., net	76,225	64,602
Investments	12,885	22,214
*Stocks	129,282	93,762
Current Assets	£ 262,694	£ 222,773
#Fixed assets	103,096	83,950
Total Assets	£ 365,790	£ 306,723

Liabilities

	(000's)	
Bank loans & overdrafts	23,364	9,229
Accts. payable	36,293	31,011
Accruals	15,335	12,229
Taxation	23,731	24,832
Other payables	2,919	1,352
Proposed dividend	9,661	8,290
Curr. Liabilities	£ 111,303	£ 86,943
Long-term debt	75,640	31,341
Deferred taxation	324	890
Accruals	53	280
Amts. due under fin. leases	1,822	1,730
Debentures	—	2,230
Other liabilities	12,792	11,198
Pref. stock of subsid.	3,480	—
+Common stock	38,427	38,381
Add. paid-in capital	2,099	1,912
Revaluation reserve	28,185	21,765
Other reserve	26,684	228
Retained earnings	64,981	109,825
Total Liabilities & Shareholders' Equity	£ 365,790	£ 306,723

* At lower of cost and net realizable value.

Less accumulated depreciation.

+ 25p par value.

Statistical Summary

%Income bef. Taxes to Sales	12.23	13.23
%Net Income to Sales	8.04	8.74
%Net Income to Equity	17.26	18.94
Sales to Inventories	2.72	3.79
Debt to Equity	0.60	0.24
Working Capital	£ 151,391,000	£ 135,830,000
Current Ratio	2.36	2.56
Shareholders' Equity	£ 163,856,000	£ 172,111,000

Delta Woodside Industries, Inc.

(43%-owned by RSI Corporation)

233 North Main Street
Hammond Square, Suite 200
Greenville, South Carolina 29601
(803) 232-8301

Officers: C. C. Guy, chairman; E. Erwin Maddrey, II, president & chief exec. officer; Bettis C. Rainsford, exec. v.p., treasurer & chief financial officer; Buck A. Mickel, v.p. & asst. secretary; Jane H. Greer, v.p. & secretary.

Directors: C. C. Guy, chairman; E. Erwin Maddrey, II, Bettis C. Rainsford, Buck Mickel, Buck A. Mickel, James F. Kane, Max Lennon.

Business Activities: Engaged in the manufacture and sale of a variety of textile fabrics and apparel. Its product groups include unfinished greige woven fabrics for apparel, home furnishings and industrial uses; finished woven apparel fabrics; single and double knit apparel fabrics; and completed apparel, including T-shirts, men's work clothes, and men's and boys' underwear and sportswear.

Trademarks and/or Brand Names: Carwood, Healthkit, Quail Hollow, Stallion, McGregor, Wolverine.

Plant Locations: Fountain Inn, Anderson, Easley, Greenville, Piedmont, Greer, Edgefield, Wallace, Pamplico, South Carolina; Gastonia, Fayetteville, Wallace, Greensboro, Maiden, Dallas, North Carolina; Alburtis, Pennsylvania; Washington, Winder, Baldwin, Monroe & Sandersville, Georgia; Tellico, Jellico & Knoxville, Tennessee; Costa Rica.

Subsidiaries:

Woodside Mills, Inc.
P.O. Box 6126, Station B
Greenville, South Carolina 29606

Produces a variety of unfinished greige lightweight woven fabrics used ultimately in the manufacture of apparel and home furnishings.

Delta Mills Marketing Company
1071 Avenue of The Americas
New York, New York 10018
Finished woven fabrics for use in slacks and skirts.

Stevconit Fabrics Company
P.O. Box 1500
Greer, South Carolina 29652
Knits and finishes a wide range of single and double knit fabrics for the knit apparel and children's sleepwear trade.

Delta Apparel Company
P.O. Box 6148, Station B
Greenville, South Carolina 29606
Manufactures T-shirts, men's and boys' underwear and sportswear.

Carwood Manufacturing Company
(Acquired as part of the acquisition of Stanwood Corporation)
220 East Athens Street
Winder, Georgia 30680
Manufactures men's work clothes and sportswear.

Acquisition:

Stanwood Corporation
Charlotte, North Carolina
Manufactures and sells men's work clothes and leisure wear, and men's and boys' underwear and sportswear.

Transfer Agent(s):

The Citizens and Southern Trust Company
P.O. Box 105555, Suite 700
Atlanta, Georgia 30348-5555

Stock Exchange(s): New York

Ticker Symbol: DLW

Sales & Earnings x

	Net Sales	Net Income
1988	\$ 488,568,000	\$ 27,602,000
1987	417,461,000	21,319,000
1986	141,810,000	5,259,000
1985	94,428,000	2,375,000
1984*	8,762,000	168,000

	No. of Com. Shares	Earn. per Share ‡
1988	17,395,050	\$ 1.59
1987	17,300,000	1.35
1986	15,000,000	0.35
1985	15,000,000	0.16

* 2 months.

x Restated to reflect adoption of FASB Statement No. 96, 'Accounting for Income Taxes.'

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1988	1987
Finished woven fabrics	\$ 207,681,000	\$ 168,407,000
Unfinished woven fabrics	104,195,000	96,807,000
Knitted fabrics	136,415,000	118,055,000
Knit apparel	40,277,000	34,192,000
Total	\$ 488,568,000	\$ 417,461,000

Common Stock Equity x

	Total Equity	Equity Per Share
1988	\$ 85,957,000	\$ 4.94
1987	58,763,000	3.71
1986	8,303,000 †	0.59
1985	3,044,000 †	0.24

x Restated.

† After allowing for preferred stock at par value.

Income Account *

Year ended	7/2/88	6/27/87†
Net sales	\$ 488,568,000	\$ 417,461,000
Cost of sales	409,482,000	343,874,000
Expenses	27,309,000	26,160,000
Interest expense	12,685,000	12,939,000
Gain on sale of market equity invest.	(1,862,000)	—
Interest income	(181,000)	(184,000)
Minority interest	—	942,000
Other income	(317,000)	(256,000)
Income before taxes	\$ 41,452,000	\$ 33,986,000
Income taxes	13,850,000	12,667,000
Net Income	\$ 27,602,000	\$ 21,319,000

† Restated.

* Included in Costs and Expenses, Depreciation & Amortization: \$4,819,000 in 1988 and \$3,589,000 in 1987.

Assets

As of	7/2/88	6/27/87†
Cash	\$ 703,000	\$ 857,000
Accts. receiv., net	26,093,000	27,179,000
Due from affil.	3,000,000	—
*Inventories	78,028,000	72,049,000
Benefit of tax loss	—	7,431,000
Prepaid expenses	1,761,000	1,439,000
Current Assets	\$ 109,585,000	\$ 108,955,000
*Fixed assets	64,722,000	37,090,000
Other assets	2,398,000	2,727,000
Total Assets	\$ 176,705,000	\$ 148,772,000

Liabilities

Notes payable	\$ 3,875,000	\$ 8,271,250
Long-term debt, curr.	8,350,000	2,199,773
Accts. payable	22,905,000	8,752,418
Accrued payroll	5,062,000	1,244,317
Accrued taxes	3,438,000	1,061,783
Group insurance	2,743,000	1,084,000
Accrued inc. taxes	889,000	1,123,685
Accrued interest	1,568,000	358,853
Other accruals	5,426,000	1,707,000
Curr. Liabilities	\$ 48,878,000	\$ 24,317,329
Long-term debt	37,794,000	21,530,285
Cap. lease oblig.	1,038,000	—
Deferred inc. taxes	1,282,000	988,932
Exc. of value of assets acq. over cost	1,017,000	1,096,788
+Common stock	173,000	150,000
Add. paid-in capital	29,469,000	351,000
Retained earnings	55,854,000	29,121,000
Unearned portion of restric. stock awards	(257,000)	—
Total Liabilities & Shareholders' Equity	\$ 148,772,000	\$ 56,736,019

† Restated.

* At lower of cost (LIFO & FIFO) or market.

† Less accumulated depreciation.

+ \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.48	8.14
%Net Income to Sales	5.65	5.11
%Net Income to Equity	32.11	36.28
Sales to Inventories	3.26	5.79
Debt to Equity	0.52	0.87
Working Capital	\$ 57,286,000	\$ 60,077,000
Current Ratio	2.10	2.23
Shareholders' Equity	\$ 85,957,000	\$ 58,763,000

Dewan Textile Mills Limited

Dewan Center

3-A Lalazar
Beach Hotel Road
Karachi 02243, Pakistan

Directors: Dewan Mohammad Umar Farooque, managing director & chief executive; Dewan Mohammad Salman Farooqui, Dewan Mohammad Hamza Farooqui, Dewan M. Zia-Ur-Rehman Farooqui, Dewan M. Ayub Khalid Farooqui, Zubair Ahmed Farooqui, Iqbal Naeem Pasha.

Business Activities: Engaged in the spinning of yarn.

Plant Location(s): H/20 & H/26, S.I.T.E., Korri, Distt. Dadu (Sind), Pakistan.

Stock Exchange(s): Karachi, Pakistan

Sales & Earnings

	Net Sales	Net Income
1987	Rs 556,418,646	Rs 70,252,669
1986	485,784,368	18,523,970

	No. of Com. Shares	Earn. per Share
1987	3,300,000	Rs 21.29
1986	3,300,000	5.61

Rs. - Rupees

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	Rs 9.25	—	—
1986	3.00	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	Rs 132,019,456	Rs 40.01
1986	92,291,787	27.97

Income Account *

Year ended Sept. 30	1987	1986
Net sales	Rs 556,418,646	Rs 485,784,368
Excise duty	13,913,615	5,499,549
Total income	Rs 542,505,031	Rs 480,284,819
Cost of sales	403,204,955	412,754,218
Expenses:		
Material	3,743,062	3,070,019
Selling	21,618,506	19,451,379
Financial	17,277,099	17,144,842
Profit sharing	4,833,910	1,405,850
Welfare fund	1,591,614	493,180
Gain on sale of assets	(16,784)	(58,639)
Income before taxes	Rs 90,252,669	Rs 26,023,970
Income taxes	20,000,000	7,500,000
Net Income	Rs 70,252,669	Rs 18,523,970

* Included in Costs and Expenses, Depreciation:

Rs. 19,366,315 in 1987 and Rs. 15,855,083 in 1986.

Assets

As of Sept. 30	1987	1986
Cash	Rs 21,228,990	Rs 88,630
Advances, deposits, prepayments	4,542,783	9,354,227
Accts. receiv., net	2,550,324	22,148,016
Refundable taxes	7,064,679	5,751,565
* Stocks	64,995,471	73,799,641
Stores & Spares	11,267,237	12,633,230
Current Assets	Rs 111,649,484	Rs 123,775,309

Capital work-in-prog.	3,474,931	3,474,931
Deposits	210,215	209,854
# Fixed assets	166,222,816	136,052,709

Total Assets	Rs 281,557,446	Rs 263,512,803
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Liabilities

Short-term borrowing	Rs 24,107,397	Rs 97,867,362
Long-term debt, curr.	847,022	10,419,266
Accts. payable	21,636,877	20,981,428
Accrued welfare fund	4,833,910	1,405,850
Other accruals	2,719,419	1,127,805
Income taxes	18,037,652	2,237,652
Proposed dividend	30,525,000	9,900,000
Unclaimed dividend	4,812	3,322

Curr. Liabilities	Rs 102,712,089	Rs 143,942,685
Long-term debt	15,608,472	819,231
Deferred income	3,217,429	2,659,100
Deferred inc. taxes	28,000,000	23,800,000
+ Common Stock	33,000,000	33,000,000
General reserve	90,000,000	57,500,000
Unapprop. profit	9,019,456	1,791,787

Total Liabilities & Shareholders' Equity	Rs 281,557,446	Rs 263,512,803
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* At FIFO cost.

† Less accumulated depreciation.

+ Rs. 10 par value.

Statistical Summary

% Income bef. Taxes to Sales	16.22	5.36
% Net Income to Sales	12.63	3.81
% Net Income to Equity	53.21	20.07
Sales to Inventories	8.56	6.58
Debt to Equity	0.31	1.18
Working Capital	Rs 8,937,395	—
Current Ratio	1.09	—
Shareholders' Equity	Rs 132,019,456	Rs 92,291,787

Dixie Yarns, Inc.

1100 South Watkins Street
Chattanooga, Tennessee 37404
(615) 698-2501

Mailing address:
P.O. Box 751
Chattanooga, Tennessee 37401

Officers: J. Burton Frierson, chairman of the executive committee; Daniel K. Frierson, chairman of the board, president & chief executive officer; Morgan M. Schuessler, sr. v.p. & chief financial officer; C. Rex Childers, v.p. & pres.-Dixie Division & Ti-Caro Yarns Group; L. T. Prigmore, v.p.-organization development; C. P. Driver, v.p. & pres.-Candlewick Division; E. Bryan Gibson, v.p.-industrial relations; Thomas C. Robinson, Jr., secretary & treasurer; Edd L. Utley, auditing controller; D. Eugene Lester, accounting & cost controller; John J. Callaghan, III, v.p. & president-Ti-Caro Knits Group; Nick C. Locke, v.p. & president-Threads U.S.A. Group; Starr T. Klein, asst. secretary.

Directors: J. Burton Frierson, C. Ralph Ewing, Daniel K. Frierson, J. Frank Harrison, Jr., Raymond B. Witt, Jr., Robert J. Sudderth, Jr., Paul K. Brock, James H. Martin, Jr., Morgan M. Schuessler, Paul K. Frierson, Peter L. Smith.

Business Activities: Manufactures yarn from a variety of natural and man-made fibers for sale to the knitting, weaving and tufting industries. A portion of this yarn is also further processed by the company through mercerizing, dyeing and bleaching. Industrial thread and yarn for hand knitting are also produced.

Trademarks and/or Brand Names: Durene, Silpun, Rebon, Corespun, Lycra, Thermax, Coolmax.

Plant Location(s): Chattanooga, Tenn.: Hope Mills, Cumberland, Mebane, Belmont, Rankin, Tryon, Mount Holly, Tarboro, Gastonia, Newton, Lincolnton, Safford, No. Carolina; Ringgold, Ga.; Roanoke, Ala.; Jefferson, So. Carolina; Lemoore, Calif.; Arroyo, Puerto Rico.

Dixie Yarns, Inc.

Operating Groups:

Dixie/Ti-Caro Yarns Group

Produces ring spun, fine count, singles and plied yarn made from 100% cotton, synthetic, or cotton-synthetic combinations.

Primary Yarns Division

Produces finer count cotton and blend yarns sold to manufacturers of premium priced apparel, home furnishings, and industrial products.

Specialty Yarns Division

Manufactures yarns utilizing natural and high technology man-made fibers for a variety of applications.

Wet Processing Division

Dyes, bleaches, mercerizes and finishes natural, synthetic and blend yarns.

Ti-Caro Knits Group

Caro-Knit Division

Produces both yarn-dyed and piece-dyed, 100% cotton knit fabrics for the higher priced sportswear market, primarily for premium-grade knit shirts.

North State Division

Knits and finishes fabric for the infants' and children's markets, specializing in flame-retardant sleepwear.

Clyde Fabric Division

Produces fabric sold to manufacturers of work gloves and upper-end activewear.

Threads U.S.A. Group

Manufactures industrial sewing threads, including spun polyester, corespun, and air-entangled filament threads, for use in a variety of applications.

Candlewick Group

Manufactures specialty tufted yarns.

Transfer Agent(s):

Trust Company Bank
Corporate Trust Department
P.O. Box 4625
Atlanta, Georgia 30303

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DXYN (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1988*	\$ 606,423,331	\$ 21,482,254
1987	580,504,328	26,283,572
1986	300,770,154	13,378,368
1985	253,470,837	7,092,636
1984	283,189,960	3,258,261
	No. of Com. Shares †	Earn. per Share ‡
1988*	11,743,985	\$ 1.80
1987	10,584,628	2.42
1986	5,967,550	2.24
1985	5,725,056	1.24
1984	6,212,628	0.52

* 53 weeks.

† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1988 Class A	\$ 0.6400	—	—
Class B	0.5733	—	—
1987 Class A	0.4400	—	—
Class B	0.3733	—	—
1986 Class A	0.4958	—	12-for-1
Class B	0.4291	—	—
1985 Class A	0.2667	—	—
Class B	0.1000	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 203,943,000	\$ 18.46
1987	205,565,000	17.36
1986	92,317,000	12.12
1985	47,523,183	8.58
1984	43,040,845	7.54

‡ Adjusted to reflect stock split.

Income Account *

Year ended	12/31/88 (53 weeks)	12/26/87
Net sales	\$ 606,423,331	\$ 580,504,328
Cost of sales	523,657,512	498,156,102
Expenses	41,406,025	37,447,052
Gain from plant closing	—	(5,297,154)
Other income	(250,398)	(648,166)
Interest expense	6,849,938	5,957,922
Income before taxes	\$ 34,760,254	\$ 44,888,572
Income taxes	13,278,000	18,605,000
Net Income	\$ 21,482,254	\$ 26,283,572

* Included in Costs and Expenses, Depreciation and Amortization: \$14,608,600 in 1988 and \$11,782,398 in 1987.

Assets

As of	12/31/88/	12/26/87
Cash	\$ 3,107,457	\$ 2,192,942
Accts. receiv., net	59,795,604	68,093,238
Inventories	75,480,500	81,130,889
Other curr. assets	12,375,245	6,535,216
Current Assets	\$ 150,758,806	\$ 157,952,285
# Fixed assets	142,914,382	146,249,353
Intangible assets	40,524,941	41,583,451
Other assets	9,194,071	10,495,942
Total Assets	\$ 343,392,200	\$ 356,281,031

Liabilities

Long-term debt, curr.	\$ 1,750,900	\$ 1,750,800
Accts. payable	18,973,961	32,520,212
Accruals	33,721,568	25,334,824
Income taxes	9,487,819	—
Curr. Liabilities	\$ 63,934,248	\$ 59,605,836
Long-term debt	64,151,900	75,002,800
Other liabilities	1,461,856	7,339,048
Deferred inc. taxes	9,901,347	8,767,849
+Common stock	33,645,339	33,314,967
+Class B Common stock	2,206,584	2,206,584
Add. paid-in capital	107,168,145	107,044,104
Retained earnings	77,033,596	62,999,843
Treasury stock	(16,110,815)	—
Total Liabilities & Shareholders' Equity	\$ 343,392,200	\$ 356,281,031

* At cost (LIFO), which is less than market.

Less accumulated depreciation and amortization.

+ \$3 par value.

Statistical Summary

%Income bef. Taxes	5.73	7.73
to Sales	3.34	4.53
%Net Income to Sales	10.53	12.79
%Net Income to Equity	8.03	7.16
Sales to Inventories	0.32	0.37
Debt to Equity	\$ 86,824,558	\$ 98,346,449
Working Capital	2.36	2.65
Current Ratio	\$ 203,942,849	\$ 205,565,498
Shareholders' Equity		

Dominion Textile, Inc.

1950 Sherbrooke Street West
Montreal, Quebec, H3H 1E7, Canada
(514) 989-6000

Mailing address:

P.O. 6250
Montreal, Quebec, H3C 3L1, Canada

Officers: Thomas R. Bell, chairman; Charles H. Hantho, president & chief executive officer; Charles A. McCrae, executive vice president-corp. development; William N. Gagnon, president-international operations; Sandy Mackay-Smith, vice president, secretary and general counsel; Robert B. Anderson, assistant comptroller; Milo A. Smith, v.p. & chief financial officer; Andre Cote, v.p.-government affairs; Roland Johnson, v.p.-development & research; William K. Rusak, v.p.-corp. services & relations; Alec Hay, v.p.-corp. planning; Rejean J. Claude, comptroller; Kenneth J. Doel, treasurer; Kay R. Craig, asst. treasurer; Marc Levesque, asst. general counsel & asst. secretary.

Directors: Jean Beliveau, Cal N. Moisan, David F. Sobey, Thomas R. Bell, Alex R. McAslan, Charles A. McCrae, Gordon H. Lennard, H. Purdy Crawford, J. V. Raymond Cyr, Ronald W. Eden, Charles H. Hantho, Purdy Crawford, David L. Johnston.

Business Activities: Produces and markets woven fabrics for apparel and furnishing trades including indigo-dyed denim, cotton and blended yarn for knitters and weavers, workwear fabrics including flame-retardant fabrics, and high-performance fabrics for clean room garments; consumer products for the home including sheets, pillow cases, draperies, bedspreads and towels; sportswear and leisure wear; non-woven plastics and fabrics for use by other manufacturing industries.

Textile Trademarks and/or Brand Names: Textmade, Caldwell, Esmond, Penmans, DHJ, Swift, Mirafi, Wabasso, Doma, Mary Quant, Harmonie, Indestructible, Vertigo, Vulkan, Vektron.

Canadian Operations

Dominion Fabrics Company
Montreal, Quebec

Domil Plant

Sherbrooke, Quebec

Fabrics for men's and women's sportswear, rainwear and outerwear, shirting; tablecloths and dress prints.

Long Sault Plant

Long Sault, Ontario

Polyester/cotton broadcloths, outerwear and sportswear fabrics.

Magog Plant

Magog, Quebec

Cotton broadcloths, cotton and polyester/cotton print cloth and broadcloths corduroy industrial fabrics.

Richelieu Plant

St. Jean, Quebec

Cotton and polyester/cotton blend fabrics for sportswear, work clothing, casement sateens, interlinings, dress prints and pocketings.

Dominion Consumer Company

Caldwell Plant

Iroquois, Ontario

Terry towels, towelling and bath mats.

Sherbrooke Plant

Sherbrooke, Quebec

Polyester/cotton sheeting for sheets, pillow slips, comforters and bedspreads.

Magog Finishing Plant

Magog, Quebec

Sheets, pillow slips, tabling, bedspreads, blankets and flannelette sheets.

Dominion Fashion Group

Cambridge, Ontario

Manufactures T-shirts, sweat shirts, golf shirts, shorts, jogging suits and other casual clothing.

Dominion Yarn Company

St-Laurent, Quebec

Domil Plant
Sherbrooke, Quebec

Long Sault Plant
Long Sault, Ontario

Salaberry Plant
Valleyfield, Quebec

Mount Royal Dyehouse
Montreal, Quebec

Dominion Engineered Fabrics Company
Montreal, Quebec

Industrial Fabrics Division
Montreal, Quebec

Drummondville Plant
Drummondville, Quebec
Fabrics of cotton and man-made fibers or filaments for automotive, abrasive, buff and filter use; tire cord and chaffer fabrics; ducks for tarpaulins, conveyor belting and industrial hose; industrial yarn and V-belt cords.

Yarmouth Plant
Yarmouth, Nova Scotia
Ducks of cotton, man made fibers or filaments for tarpaulins, conveyor belting and industrial hose; cotton and blend industrial greige fabrics; sales yarn.

Swift Textiles - Canada
Montreal, Quebec
Production of denim.

Fiberworld Division:

Hawkesbury Plant
Hawkesbury, Ontario
Regular and needle-punched polypropylene carpet backing; polyolefin industrial fabrics.

Woodstock Plant
Woodstock, Ontario
Resin bonded and needle-punched non-woven fabrics of man-made fibers for the coating trade, furniture and filter use, quilting and apparel manufacturing.

DHJ Canada Inc.
Montreal, Quebec

Esmond Textiles, Inc.
Granby, Quebec

INTECH Pem Inc.
Montreal, Quebec

Textile Management Services Inc.
Montreal, Quebec

United States Operations:
Include the manufacture and sale of denim, polyester-cotton yarn, geotextile products, and plastic accessories for the apparel industry.

Dominion Textile (USA) Inc.
New York, New York

Dominion Yarn Corporation
Landis, North Carolina

Erwin Mills Inc.
Erwin, North Carolina

Swift Textiles, Inc.
Columbus, Georgia
Indigo-dyed denim.

Wayn-Tex Inc.
Waynesboro, Virginia
Manufacture of woven and non-woven fabrics, for use as carpetbacking and other industrial uses.

Mirafi Inc.
Charlotte, North Carolina
Civil engineering fabrics.

Howard Cotton Company
Memphis, Tennessee

C.S. Brooks Corporation
(50%-owned)
Nashville, Tennessee
New York, New York
Manufactures bathroom accessories.

International Operations:

Dominion Textile (International) BV
Manufactures and distributes interlinings, cut linings, fusible fabrics, indigo-dyed denim for the apparel trade and a diversified line of nonwoven fabrics sold to a wide variety of industries.

DHJ Industries Deutschland GmbH
Bielefeld, West Germany
Interlining fabrics and die-cut linings.

DHJ Industries (France) S.A.
Paris, France
Distributes interlinings in France and the Benelux countries.

DHJ Industries Europe S.A.
Selestat, France
Interlining fabrics.

DHJ Industries SpA
Milan, Italy
Interlining fabrics and die-cut linings.

DHJ Industries (U.K.) Ltd.
London, England
Interlining fabrics, die-cut linings and packaging.

SENFA S.A.
Selestat, France
Interlining fabrics.

Nordlys S.A. (75%-owned)
Bailleul, France

DHJ Maroc SA
Casablanca, Morocco

DHJ Industries (Far East) Ltd.
Hong Kong

Entretelas DHJ SA
Rio de Janeiro, Brazil

DHJ Industries AG
Zug, Switzerland

DHJ Iberica SA
Barcelona, Spain

DHJ Industries Distribution (Singapore) Pte. Ltd.
Singapore

DHJ Lusitana Textil LDA
Oporto, Portugal

Klopman Group
Manufactures polyester/cotton blend fabrics for workwear apparel, including "Vulcan" flame-retardant fabric and "Vektrol" high-performance fabrics for clean room garments.

Klopman International Limited
Tralee, Ireland

Klopman International SRL
Frosinone, Italy

Transfer Agent(s):

The Royal Trust Company
Montreal, Toronto, Winnipeg, Regina, Calgary, and Vancouver

Stock Exchange(s): Montreal, Toronto

Ticker Symbol: DTX

Sales & Earnings

	Net Sales (000's)	Net Income † (000's)
1989	\$ 1,403,076	\$ (28,800)
1988	1,217,215	63,135
1987	1,043,344	32,187
1986	926,516	6,401
1985	765,870	(14,375)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	26,561,000	\$ —
1988	19,638,000	2.93
1987	17,346,000	1.53
1986	15,763,000	0.27
1985	14,108,986	—

(Loss)
† Including extraordinary gain of \$20,074,000 (\$1.02 per share) in 1988 and extraordinary losses of \$38,080,000 in 1989 and \$4,689,000 (\$0.29 per share) in 1986.
‡ Based on the daily weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	\$ 0.60	—	—
1988	0.57	—	—
1987	0.48	—	—
1986	0.48	—	—
1985	0.66	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1989	\$ 470,506,000	\$ 16.40
1988	485,237,000	19.57
1987	352,790,000	19.69
1986	299,941,000	18.08
1985	275,788,000	18.71

‡ After allowing for preferred stock at stated values.

Income Account * (000's)

Year ended June 30	1989	1988
Net sales	\$ 1,403,076	\$ 1,217,215
Operating costs	1,344,627	1,123,970
Interest expense	63,259	33,682
Other income	(6,899)	(686)
Share in earn. of assoc. cos.	(5,060)	(6,669)
Income bef. taxes	\$ 7,149	\$ 66,518
Income taxes (credit)	(3,581)	24,082
Minority interest	1,450	(225)
Net Income	\$ 9,280	\$ 43,061
Extraord. items	(38,080)	20,074
Net Income & extraord. items	\$ (28,800)	\$ 63,135

* Included in Costs and Expenses, Depreciation and Amortization: \$70,751,000 in 1989 and \$50,972,000 in 1988.

Assets (000's)

As of June 30	1989	1988
Cash	\$ 34,454	\$ 105,146
Short-term invest.	10,100	—
Accts. receiv., net	218,080	281,659
Inc. taxes recov.	12,519	1,683
*Inventories	246,192	301,477
Prepaid expenses	11,919	8,347
Current Assets	\$ 533,264	\$ 698,312
Investments & advances	42,178	40,812
#Fixed assets	640,826	637,004
Other assets	152,111	146,838
Total Assets	\$ 1,368,379	\$ 1,542,966

Dominion Textile, Inc.

Liabilities (000's)		
Long-term debt, curr.	\$ 33,554	\$ 30,208
Short-term borrowings	24,096	25,524
Short-term loans	—	113,491
Accts. payable & accruals	183,144	182,203
Dividends payable	5,698	5,069
Income taxes	12,313	21,265
Curr. Liabilities	\$ 258,805	\$ 377,760
Long-term debt	490,268	514,908
Def. inc. taxes	32,170	51,158
Minority interest	19,456	20,551
Other liabilities	22,122	15,796
+First preferred stock	52	56
++Second pref. stock	75,000	77,500
+++Common stock	359,128	300,264
Retained earnings	132,564	183,100
Cum. trans. adjust.	(21,186)	1,873
Total Liabilities & Shareholders' Equity	\$ 1,368,379	\$ 1,542,966

* At lower of average cost and net realizable value.
 # Less accumulated depreciation.
 + \$100 stated value; \$7 cumulative.
 ++ \$25 stated value; series C, floating rate cumulative; series D & E, \$1.8125 cumulative.
 +++ No par value.

Statistical Summary		
%Income bef. Taxes to Sales	0.51	5.50
%Net Income to Sales	0.66	3.54
%Net Income to Equity	1.70	7.65
Sales to Inventories	5.70	4.04
Debt to Equity	1.00	1.20
Working Capital	\$ 274,459,000	\$ 320,552,000
Current Ratio	2.06	1.85
Shareholders' Equity	\$ 545,558,000	\$ 562,793,000

Doug Wilson Studios, Inc.

1055 Wall Street
 Suite 246
 La Jolla, California 92037
 (619) 454-2534

Officers: Doug Wilson, chairman of the board, president & chief executive officer; Lauren Wilson, secretary & treasurer; Neville Berman, controller & principal financial officer.

Directors: Doug Wilson, chairman; Gary Williams, Ian Gardner-Smith.

Business Activities: Designs, arranges for the manufacture of, and markets children's sleepwear, and men's and women's sportswear and surfwear.

Trademarks and/or Brand Names:

Night Animal, Wall Street Cotton Club, Shark Bait, Sportswear, Doug Wilson, California Earthquake Cafe.

Transfer Agent(s):

Security Pacific National Bank
 Los Angeles, California

Stock Exchange(s):

Over-the-Counter

Ticker Symbol: DWSIU

Sales & Earnings		
	Revenues	Net Income †
1988	\$ 2,122,812	\$ (495,447)
1987	4,192,936	114,295
1986	3,472,591	(751,385)

	No. of Com. Shares ‡	Earn. per Share ‡ †
1988	2,368,165	\$ —
1987	2,037,320	0.06
1986	1,761,778	—

† Including extraordinary gain of \$57,000 (\$0.03 per share) in 1987.
 ‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity		
	Total Equity	Equity Per Share ‡
1987	\$ 1,349,367	\$ 0.57
1986	469,905	0.23
1985	323,860	0.18

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account		
Year ended	2/29/88	2/28/87
Revenues	\$ 2,122,812	\$ 4,192,936
Cost of sales	1,204,960	2,229,695
Expenses	1,457,803	1,655,261
Loss on discount oper.	—	135,312
Interest expense	9,508	8,825
Income (loss) before taxes	\$ (549,459)	\$ 163,843
Income taxes	—	57,000
Minority interest	(54,012)	49,548
Net Income (Loss)	\$ (495,447)	\$ 57,295
Extraord. gain	—	57,000
Net Income (loss) & extraord. gain	\$ (495,447)	\$ 114,295

* Included in Costs and Expenses, Depreciation and Amortization: \$30,414 in 1988 and \$22,991 in 1987.

Assets		
As of	2/29/88	2/28/87
Cash	\$ 1,016,458	\$ 106,223
Accts. receiv., net	56,622	201,244
*Inventories	56,067	79,634
Other curr. assets	29,373	60,489
Current Assets	\$ 1,158,520	\$ 447,590
Receiv. from stockholder	90,612	90,235
#Fixed assets	44,361	55,061
Other assets	33,356	20,164
Intangibles	206,596	140,238
Organ. cost.	12,911	20,381
Total Assets	\$ 1,546,356	\$ 773,669

Liabilities		
Long-term debt, curr.	\$ 45,895	\$ 41,665
Accts. payable	94,298	41,790
Accruals	41,948	20,319
Dividends payable	12,400	26,904
Curr. Liabilities	\$ 194,541	\$ 130,678
Long-term debt	2,448	106,871
Minority interest	—	66,215
+Common stock	26,557	20,257
Add. paid-in capital	2,503,190	1,134,581
Retained earnings (deficit)	(1,174,130)	(678,683)
Treasury stock	(6,250)	(6,250)
Total Liabilities & Shareholders' Equity	\$ 1,546,356	\$ 773,669

* At lower of cost (FIFO) or market.
 # Less accumulated depreciation and amortization.
 + \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.91
%Net Income to Sales	—	1.37
%Net Income to Equity	—	12.19
Debt to Equity	0.04	0.32
Working Capital	\$ 963,970	\$ 316,912
Current Ratio	5.96	3.43
Shareholders' Equity	\$ 1,349,367	\$ 469,905

Dunlop (BTR Dunlop Limited)

(52.5% owned by BTR plc of the United Kingdom)

265 Sydney Road, Box 925
 Durban, 4000, Republic of South Africa
 (031) 25-1411

Directors: A.M.D. Gnodde, chairman; C. R. Hooper, managing director; B. H. Beebe, G. P. Kemp, J. E. Lowe.

Secretary: D. M. Goodhead.

Business Activities: Principal products include tires, tubes, conveyor belts, industrial hose, rubber mouldings and extrusions, diesel engines, fluid transmissions, automotive engine components, vinyl flooring, carpets, sports equipment and apparel, mattresses and foam products.

Apparel Trademarks and/or Brand Names: Dunlop Sports, Slazenger.

Textile Plant Location(s): Mobeni, Republic of South Africa

Divisions and Subsidiaries:

Dunlop Tyres
 265 Sydney Road, Box 925
 Durban 4000, Republic of South Africa
 Produces a full range of passenger car tires in textile and steel radial and crossply; produces tires and tubes for a wide range of vehicles including light trucks, heavy truck and buses, industrial machines, low loaders, tractors, trailers, road graders, earthmovers, aircraft and bicycles.

Industrial Group

Industrial Products
 Lincoln Road, Industrial Sites
 Private Bag X027
 Benoni 1500, Republic of South Africa
 Produces a comprehensive range of conveyor belts in both rubber and PVC polymers with reinforcement of solid woven textile, plied textile or steel materials. Manufactures a wide variety of hose products and automotive components.

BTR Power Products
 17 Derrick Road
 Spartan, Kempton Park 1620, Republic of South Africa
 Distributes diesel engines and a range of engine transmissions.

BTR Rubber & Wheel
 3-5 Dyke Street, Fictoria
 Box 286
 Krugersdorp 1740, Republic of South Africa
 Produces a comprehensive range of industrial components in rubber, various plastics and polyurethane.

Laursen Bros.
 Pepler Street
 Box 113
 Rosalyn 0200, Republic of South Africa
 Manufactures a wide range of stampings and fabricated assemblies for the automotive industry, as well as a range of container hardware including locking gear, hinges, and container retaining twistlocks for flat bed road and railway trailers.

Consumer Division

Dunlop Flooring
Bert Kipling Street
Wilsonia
Box 1141

East London 5200, Republic of South Africa
Manufactures a comprehensive range of vinyl flooring
and quality carpet products.

Dunlop Sports
86 Leicester Road
Box 32043

Mobeni 4060, Republic of South Africa
Manufactures a wide assortment of sporting goods, in-
cluding golf balls, tennis balls, squash balls, tennis shoes,
wooden rackets, sports clothing, sport luggage, aerobic
shoes, and swingball.

Dunlopillo
Gibaud Road
Box 2145

North End 6056, Republic of South Africa

615 Main Reef Road
Box 25645

Denver 2027, Republic of South Africa
Manufactures hot and cold moulded seating for the auto
industry, foam and spring mattresses, foam and fully
upholstered furniture, and polyether foam products.

Transfer Secretaries:

Unidev Registrars Limited
Sixth Floor, 94 President Street
Johannesburg 2001, Republic of South Africa

P.O. Box 1053
Johannesburg 2000, Republic of South Africa

Stock Exchange(s): Johannesburg

Sales & Earnings

	Net Sales	Net Income †
1988	R529,300,000	R36,400,000
1987	411,300,000	24,600,000
1986	355,600,000	19,900,000
1985	224,600,000	17,700,000
1984	216,900,000	16,900,000

	No. of Com. Shares	Earn. per Share ‡
1988	23,300,000	R1.570
1987	23,000,000	1.066
1986	23,000,000	0.865
1985	17,700,000	1.001
1984	17,700,000	0.955

R - South African rand.

† Before extraordinary items.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1988	1987	1986
Engineering & industrial	45 %	47 %	51 %
Motor	42	39	35
Consumer	13	14	14
Total	100 %	100 %	100 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	R1.05	—	—
1987	0.85	—	—
1986	0.75	—	—
1985	0.75	—	—
1984	0.75	—	—

Common Stock Equity

	Total Equity †	Equity Per Share
1988	R177,194,000	R7.60
1987	162,842,000	7.09
1986	145,241,000	6.32
1985	116,900,000	6.60
1984	112,400,000	6.35

† After allowing for preferred stock at par value.

Income Account (000's)

Year ended Dec. 31	1988	1987
Net sales	R529,270	R411,343
Cost of sales	438,851	348,006
Directors' fees	826	832
Auditors' fees	420	330
Management fees	1,935	1,634
Technical fees	4,076	2,994
Secretarial fees	27	21
Depreciation	14,613	14,114
Loss (gain) on sale of assets	(857)	137
Change in prod. liab.	517	(851)
Property rentals	(3,974)	(3,436)
Interest expense	5,132	4,440
Interest income	(1,408)	(555)
Income before taxes	R69,112	R43,677
Income taxes	32,703	19,103
Net Income	R36,409	R24,574

Assets (000's)

As of Dec. 31	1988	1987
Accts. receiv., net	R100,092	R78,035
Trade/holding company	643	261
*Inventories	101,691	83,705
Current Assets	R202,426	R162,001
†Fixed assets	118,975	119,208
Total Assets	R321,401	R281,209

Liabilities (000's)

	1988	1987
Bank borrowings	R9,947	R14,526
Long-term debt, curr.	3,443	4,035
Accts. payable	93,153	65,839
Dividend payable	15,860	12,634
Cur. Liabilities	R122,403	R97,034
Long-term debt	337	401
Deferred inc. taxes	19,967	19,432
+Preferred stock	1,500	1,500
+Common stock	11,662	11,485
Add. paid-in capital	47,644	45,442
Non-distrib. reserves	30,474	30,350
Distrib. reserve	87,414	75,565

Total Liabilities & Shareholders' Equity	R321,401	R281,209
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* At lower of cost and net realizable value.

† Less accumulated depreciation.

+ R2 par value; 6% cumulative.

++ R0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.06	10.62
%Net Income to Sales	6.88	5.97
%Net Income to Equity	20.38	14.95
Sales to Inventories	5.20	4.05
Debt to Equity	0.08	0.12
Working Capital	R80,023,000	R64,967,000
Current Ratio	1.65	1.67
Shareholders' Equity	R178,694,000	R164,342,000

E.I. du Pont de Nemours & Company

1007 Market Street
Wilmington, Delaware 19898
(302) 774-1000

Officers: Richard E. Heckert, chairman of the board & chief exec. officer; Edgar S. Woolard, Jr., president & chief operating officer; H. Gordon Smyth, sr. v.p.-employee relations; John R. Malloy, sr. v.p.-external affairs; W. Earl Tatum, sr. v.p.-materials & logistics; Alexander MacLachlan, sr. v.p.-technology; John J. Quindlen, sr. v.p.-finance; John F. Schmutz, sr. v.p.-legal & general counsel; Elmer J. Grivetti, exec. v.p.; Elwood P. Blanchard, vice chairman; Colin H. Lee, group v.p.-refining, marketing, supply & transportation; H. Douglas Dahl, exec. v.p.-coal; Robert B. Atwater, exec. v.p.-marketing, coal; C. Wes McDonald, exec. v.p.-operations, coal; Floyd E. Ellis, exec. v.p.; Robert M. Aiken, group v.p.-petrochemicals; Nicholas Pappas, III, exec. v.p.-polymer products; James F. Kearns, exec. v.p.-fibers; William G. Karis, exec. v.p.-administration, coal; Archie W. Dunham, group v.p.-chemicals & pigments; Max G. Pitcher, group v.p.-worldwide exploration; Harry C. Sager, group v.p.-exploration, production & natural gas, North America; William K. Dietrich, group v.p.-exploration & production, international; John A. Krol, group v.p.-agricultural products; Robert v.d. Luft, group v.p.-international; John P. McAndrews, group v.p.-automotive products; Charles L. Henry, group v.p.-electronics; Mark A. Suwyn, group v.p.-imaging systems; Constantine S. Nicandros, president & chief exec. officer-Conoco Inc.; Bobby R. Brown, president & chief exec. officer-Consolidation Coal Company; Louis R. Wonderly, corp. secretary; Roger W. Arrington, corp. secretary; Martin G. Mand, v.p. & treasurer; James W. Giggey, v.p.-corporate plans; Richard A. Stuckey, v.p. & chief economist; Bruce W. Karrh, v.p.-employee relations; John W. Himes, v.p.-employee relations; Stacey J. Mobley, v.p.-external affairs; Colbert R. Wildite, v.p.-external affairs; Bruce A. Beardwood, v.p.-fabricated products; Ross W. Fasick, v.p.-automotive products; Jerald A. Blumberg, v.p.-international; W. Robert Clay, v.p.-international; E. Gary Cook, Jr., v.p.-medical products; Joseph A. Mollica, v.p.-medical products; Ernest R. Ruppe, v.p.-petrochemicals; Jeffrey M. Lipton, v.p.-polymer products; Anthony J. Cardinal, v.p.-fibers; Keith E. Tucker, v.p.-pension fund investment; Earl L. Timmons, managing director & comptroller; David M. Francis, asst. general counsel; William E. MacIntyre, asst. general counsel; Howard J. Rudge, asst. general counsel; Howard E. Simmons, v.p.-central research & development; Charles D. Brown, v.p.-engineering; Raymond E. Cairns, v.p.-information systems.

Directors: Richard E. Heckert*, chairman of the board; H. Rodney Sharp, III, Robert C. Forney*, Andrew F. Brimmer, Margaret P. MacKimm, Charles L. Brown, Irene du Pont, Jr., Edward B. du Pont, Edward R. Kane, Howard W. Johnson, Charles R. Bronfman, Edgar M. Bronfman, Dean R. McKay, Louisa C. Duemling, Constantine Nicandros*, Edward G. Jefferson, E. Leo Kolber, David G. Sacks, John L. Weinberg, A. Jean de Grandpre, Elwood P. Blanchard, Jr., Edgar S. Woolard, Jr.

* Member of the Executive Committee

Areas of Work: Operations are divided into the following industrial segments: biomedical products; industrial and consumer products; fibers; polymer products; agricultural and industrial chemicals; petroleum exploration and production; petroleum refining, marketing and transportation; and coal. Biomedical products include clinical instruments and X-ray products used in medical diagnosis, prescription pharmaceuticals, radiopharmaceuticals and radioactive tracer chemicals; and biomedical instruments used principally in research. Industrial and consumer products include photographic products and systems for printing, engineering reproduction, data recording and micrographic markets; electronic products for high-density microcircuits, resistor networks and printed circuit boards; electronic connectors; chromium dioxide magnetic particles used in audio and video tapes and cassettes, and for data storage; finishes for the automotive and other industries; nonstock coatings, analytical instruments for research and industrial process monitoring; explosives; and sporting firearms and ammunition. Man-made fiber products consist of specialty fibers used in apparel, carpets, tire and aircraft component reinforcement, protective clothing, operating room apparel, packaging and road support, together with high-volume fibers for apparel and home fabrics, carpeting and industrial applications. Polymer products include plastic resins, elastomers, and films and other fabricated products. Agricul-

E.I. du Pont de Nemours & Company

tural chemical operations include worldwide manufacture and sales of fungicides, herbicides and insecticides for crop protection. Industrial chemicals comprise a range of such commodity and specialty products as pigments, organic chemicals, fluorocarbons, petroleum additives, mineral acids and other inorganics. Principal petroleum products include gasoline, jet fuel, diesel fuel, heating oil, fuel oil, asphalt, petroleum coke, natural gas, liquids and chemical feedstocks.

Trademarks: Adoration, Antron, Ardina*, Avimid K, Bi-nell*, Bytrec, Cantrec, Civona*, Comfort*, Coolmax, Cordura, Dacron, Du Pont, Dypac*, Fiberseal*, Hollofil, Hyten, Kevlar, Lanilon*, Lycra, Nomelle*, Nomez, Optique*, Orelle*, Orion, ProSelect, Qiana*, Reemay, Sayelle*, Sontara, Sontique*, Stainmaster, Taslan, Teflon, Thermax, Tyvek, Typar, Tyvek, Ultramere*, Quallifil*, Wintuk*. *Certification marks.

Fibers Department Plant Locations: Seaford, Del.; Athens, Ga.; Kingston & Wilmington, N.C.; Charleston, S.C.; Chattanooga, Tenn.; Martinsville, Richmond & Waynesboro, Va.

Industrial Departments:

Medical Products Department
Fabricated Products Department
Chemicals and Pigments Department
Petrochemicals Department
International Department
Electronics Department
Polymer Products Department
Fibers Department
Agricultural Products Department
Imaging Systems Department
Automotive Products Department

Subsidiaries:

Du Pont Energy Company

Conoco Inc.

Remington Arms Company, Inc.
Wilmington, Delaware

Du Pont Taiwan Ltd.
Taipei, Taiwan

Du Pont (Australia) Limited
Sydney, Australia

Du Pont (New Zealand) Ltd.
New Zealand

Du Pont, S.A. de C.V.
Mexico, D.F., Mexico

Conoco (U.K.) Limited
London, England

Du Pont de Colombia, S.A.
Bogota, Colombia

Du Pont de Nemours (Belgium)
Brussels, Belgium

Brandywine Assurance Company Ltd.
Bermuda

Du Pont de Nemours (Deutschland) GmbH
Dusseldorf, Germany

Du Pont de Nemours International S.A.
Carouge (Geneva), Switzerland

Du Pont de Nemours Italiana S.p.A.
Milan, Italy

Du Pont de Nemours (Luxembourg) S.A.
Contern, Luxembourg

Du Pont Photolux, S.A.
Luxembourg

Du Pont de Nemours (Nederland) B.V.
Dordrecht, Netherlands

Du Pont Iberica, S.A.
Spain

Du Pont Scandinavia A.B.
Marsta, Sweden

Du Pont de Venezuela C.A.
Caracas, Venezuela

Du Pont do Brasil S.A.
Sao Paulo, Brazil

Du Pont Far East Inc.
Wilmington, Delaware

Du Pont de Nemours (France) S.A.
Paris, France

Du Pont Japan Limited
Japan

Du Pont (Singapore) Electronics Pvt., Ltd.
Singapore

Acquisition:

Consolidated Coal Company
Pittsburgh, Pennsylvania

Affiliated Companies:

La Dominica, S.A. de C.V. (49% owned)
Mexico, D.F., Mexico

Du Pont Canada, Inc. (75.67% owned)
Montreal, Quebec, Canada

Du Pont Mitsui Fluorochemicals Company, Ltd. (50% owned)
Tokyo, Japan

Du Pont Mitsui Polychemicals Company, Ltd. (50% owned)
Tokyo, Japan

Du Pont Showa Denko Co., Ltd. (50% owned)
Tokyo, Japan

Tetraetilo de Mexico, S.A. (40% owned)
Mexico, D.F., Mexico

Dupont-Toray Co. Ltd. (50% owned)
Tokyo, Japan

Quimica Fluor, S.A. de C.V. (32.9% owned)
Mexico

Nylon de Mexico, S.A. (40% owned)
Mexico

Butachimie (50% owned)
France

Transfer Agent(s):

E.I. du Pont de Nemours & Company
Finance Department
Nemours Building
10th & Orange Streets
Wilmington, Delaware

Mailing address:
1007 Market Street
Wilmington, Delaware 19898

Stock Exchange(s): New York

Ticker Symbol: DD

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1988	\$ 32,917,000	\$ 2,190,000
1987	30,468,000	1,786,000
1986	27,148,000	1,538,000
1985	29,483,000	1,118,000
1984	30,559,000	1,431,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	239,298,000	\$ 9.11
1987	240,216,000	7.39
1986	240,527,000	6.35
1985	240,354,000	4.61
1984	239,482,000	5.93

‡ Based on the average number of common shares outstanding.

Revenues by Line of Business (millions)

	1988	1987
Petroleum	\$ 11,552	\$ 11,097
Coal & minerals	1,757	1,770
Agricultural & industr. chemicals	4,701	3,979
Polymer prodn.	4,267	3,811
Fibers	5,749	5,261
Industr. & cons. prodn.	3,561	3,284
Biomedical prodn.	1,330	1,266
Total	\$ 32,917	\$ 30,468

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 3.70	—	—
1987	3.30	—	—
1986	3.05	—	—
1985	3.00	—	—
1983	2.50	—	—

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share
1988	\$ 15,343,000	\$ 64.08
1987	14,007,000	58.65
1986	13,137,000	54.74
1985	12,422,000	51.62
1984	11,996,000	50.06

‡ After allowing for preferred stock at stated values.

Income Account (000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 32,917,000	\$ 30,468,000
Other income	425,000	324,000
Total Income	\$ 33,342,000	\$ 30,792,000
Cost of sales	18,457,000	17,150,000
Expenses	3,065,000	2,716,000
Deprec., deplet. & amort.	2,216,000	2,225,000
Explor. expenses	468,000	459,000
Res. & develop. expenses	1,319,000	1,223,000
Interest expense	428,000	435,000
Taxes	3,578,000	3,085,000
Gains from sales of businesses	(13,000)	(161,000)
Inc. before taxes	\$ 3,824,000	\$ 3,660,000
Inc. taxes	1,634,000	1,874,000
Net Income	\$ 2,190,000	\$ 1,786,000

Assets (000's)

As of Dec. 31	1988	1987
Cash & marketable securities	\$ 603,000	\$ 741,000
Accts. & notes receiv., net	4,815,000	4,391,000
*Inventories	4,467,000	4,342,000
Prepaid expenses	353,000	479,000
Current Assets	\$ 10,238,000	\$ 9,953,000

*Investments	628,000	541,000
*Fixed assets	17,221,000	15,854,000
Other assets & investments	2,632,000	1,861,000
Total Assets	\$ 30,719,000	\$ 28,209,000

Liabilities (000's)		
Short-term borrowings	\$ 2,075,000	\$ 1,641,000
Accts. payable	2,540,000	2,422,000
Accruals	1,872,000	1,689,000
Income taxes	209,000	388,000
Curr. Liabilities	\$ 6,696,000	\$ 6,140,000
Long-term debt	3,158,000	3,018,000
Cap. lease oblig.	74,000	84,000
Other liabilities	2,203,000	1,827,000
Minority interest	109,000	95,000
Deferred inc. taxes	2,899,000	2,801,000
+ Preferred stock:		
\$4.50 series	167,000	167,000
\$3.50 series	70,000	70,000
++ Common stock	399,000	398,000
Add. paid-in capital	4,595,000	4,555,000
Retained earnings	10,349,000	9,054,000
Total Liabilities & Shareholders' Equity	\$ 30,719,000	\$ 28,209,000

* Valued at LIFO cost.
 # Less accumulated depreciation and obsolescence.
 + No par value; cumulative.
 ++ \$1.66 2/3 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.62	12.01
%Net Income to Sales	6.65	5.86
%Net Income to Equity	14.06	12.54
Sales to Inventories	7.37	7.02
Debt to Equity	0.34	0.21
Working Capital (000's)	\$ 3,542,000	\$ 3,813,000
Current Ratio	1.53	1.62
Shareholders' Equity (000's)	\$ 15,580,000	\$ 14,244,000

DWG Corporation

6917 Collins Avenue
 P.O. Drawer K
 Miami Beach, Florida 33141
 (305) 866-7771

Officers: Victor Posner, chairman of the board, president & chief executive officer; Jack Coppersmith, sr. v.p. & chief financial officer; Melvin R. Colvin, sr. v.p.; Bernard I. Posner, sr. v.p.; Russell A. Boyle, group exec. v.p.; Steven Posner, vice chairman; Mitchell V. Gregory, v.p.-finance & principal accounting officer.

Directors: Victor Posner, chairman; Steven Posner, Russell A. Boyle, Melvin R. Colvin, Bernard I. Posner, William L. Pallot, Marco B. Loffredo, Jr., Thomas A. Prendergast, Roger D. Stake.

Business Activities (Textile): Through Graniteville Company, a subsidiary, the Company manufactures, dyes and finishes cotton, synthetic and blended (cotton and polyester) fabrics primarily for the apparel trade and mainly for two consumer end uses: utility wear; and men's, women's and children's sportswear, casual wear and outerwear.

Plant Location(s): Graniteville, Saluda, Warrenville, Vauluse, South Carolina; Augusta, Georgia.

Subsidiaries:

Graniteville Company
 51% owned by DWG Corporation; 49% owned by Southeastern Public Service Co.

National Propane Corporation (100% owned)
 Distributes and sells liquefied petroleum gas.

Southeastern Public Service Company (64.9% owned)
 Provides a variety of services to electrical and telephone utilities and municipalities.

Home Furnishing Acquisition Corporation (100% owned)
 Manufactures and distributes lamps, picture frames and framed graphics, mirrors, home furnishings and serving trays.

Citrus Acquisition Corporation (100% owned)
 Processes and distributes citrus products.

Chesapeake Financial Corporation (majority-owned through subsidiaries)
 Principal subsidiaries include Chesapeake Insurance Company Limited, which provides insurance coverage primarily for DWG and affiliated companies, and Royal Crown Companies, Inc., which produces and sells soft drinks, and operates Arby's, a fast food restaurant chain.

Transfer Agent(s):

Harris Trust Company of New York
 110 William Street
 New York, New York 10038

Stock Exchange(s): American, Pacific

Ticker Symbol: DWG

Sales & Earnings

	Revenues +	Net Income †
1988	\$ 1,097,227,000	\$ 36,330,000
1987	1,071,475,000	18,240,000
1986	1,027,059,000	(8,611,000)
1985	849,422,000	5,641,000
1984	476,820,000	3,271,000
	No. of Com. Shares	Earn. per Share ‡
1988	17,358,000	\$ 1.58
1987	17,169,000	0.86
1986	16,890,000	—
1985	15,272,000	0.31
1984	13,361,000	0.16

(Loss)
 + Of continuing operations only.
 † Including extraordinary gains of \$2,896,000 (\$0.14 per share) in 1987, \$293,000 in 1986, \$102,000 (\$0.01 per share) in 1985, and \$530,000 (\$0.03 per share) in 1984.
 ‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business (000's)

	1988	1987
Textiles	\$ 396,477	\$ 359,410
Liquefied petroleum gas	134,306	130,994
Utility & municipal services	144,503	137,656
Fast food	137,918	129,237
Soft drink	112,190	104,815
Other	171,833	209,363
Total	\$ 1,097,227	\$ 1,071,475

Common Stock Equity

	Total Equity †	Equity Per Share
1988	\$ 153,429,000	\$ 8.84
1987	111,888,000	6.52
1986	92,549,000	5.48

‡ After allowing for preferred stock at liquidation values.

Income Account (000's)

Year ended Apr. 30	1988	1987
Revenues	\$ 1,097,227	\$ 1,071,475
Cost of revenues	790,720	792,686
Expenses	174,850	173,872
Depreciation, depletion & amortization	41,438	41,624
Interest expense	73,568	78,087
Interest income	(6,022)	(3,766)
Prov. for doubtful accts.	7,834	1,078
Other income	(10,757)	(17,596)
Unreal. losses in esc. of unreal. gains on secur. of secur.	—	(756)
Real. gains on sales of secur.	(263)	—
Income before taxes	\$ 25,859	\$ 6,246
Income taxes	15,301	3,087
Minority interests	1,528	(7,695)
Eq. in losses of affil.	7,847	2,024
Inc.-cont. oper.	\$ 1,183	\$ 8,830
Inc.-discont. oper.	35,147	6,514
Net Income	\$ 36,330	\$ 15,344
Extraord. gain	—	2,896
Net Income & extraord. gain	\$ 36,330	\$ 18,240

Assets (000's)

As of Apr. 30	1988	1987
Cash	\$ 94,190	\$ 67,544
Marketable securities	617	5,180
Accts. receiv., net	115,234	102,096
Refundable taxes	316	5,723
*Inventories	133,195	110,993
Due from affil.	20,346	4,041
Net assets of discont. oper.	—	6,960
Other curr. assets	11,644	14,116
Current Assets	\$ 375,532	\$ 316,653
Notes receiv.-affil.	6,615	6,032
Investments	—	555
Other investments	14,992	8,750
#Fixed assets	291,314	275,915
Other assets	33,597	34,652
Intangibles	190,952	200,565
Net assets of discont. oper.	—	12,831
Total Assets	\$ 913,002	\$ 855,953

Liabilities (000's)

Long-term debt, curr.	\$ 38,972	\$ 130,409
Short-term debt	10,000	12,195
Accts. payable	46,439	56,422
Accrued interest	11,973	10,556
Accrued inc. taxes	14,454	2,851
Other current liabilities	55,204	46,354
Curr. Liabilities	\$ 177,042	\$ 258,787
Long-term debt	446,978	361,384
Minority interest	32,890	31,624
Deferred inc. taxes	52,242	43,711
Deposits & other liabilities	44,526	42,597
+ Preferred stock:		
\$0.60 preferred	9	10
\$0.35 preferred	1,647	1,661
++ Common stock	1,754	1,735
Add. paid-in capital	65,373	65,094
Retained earnings	91,216	55,470
Net unrealized losses on invest.	(360)	(5,805)
Treasury stock	(315)	(315)
Total Liabilities & Shareholders' Equity	\$ 913,002	\$ 855,953

* At lower of cost (FIFO & LIFO) or market.
 # Less accumulated depreciation and amortization.
 + \$1 par value; cumulative convertible.
 ++ \$0.10 par value.

DWG Corporation

Statistical Summary

%Net Income to Equity	22.80	13.02
Debt to Equity	3.11	4.28
Working Capital	\$ 198,490,000	\$ 57,866,000
Current Ratio	2.12	1.22
Shareholders' Equity	\$ 159,324,000	\$ 117,850,000

Dylex Limited

637 Lake Shore Boulevard West
Toronto, Ontario M5V 1A8, Canada
(416) 586-7000

Officers: Wilfred Posluns, chairman, president & chief exec. officer; Irving Posluns, exec. vice president & treasurer; Kenneth Axelrod, v.p.-Manchester Clothing; Gordon Edelstone, v.p.-men's wear; Irving Levine, v.p.-women's wear; Joel N. Cooper, v.p.-Braemar; Sydney Loftus, v.p.-Dylex Real Estate; Paul Mancini, v.p.-Western Apparel; Lionel Robins, v.p.-women's wear; Harry Rosen, v.p.-Harry Rosen Men's Wear; Henry Zagdanaki, v.p.-Nu Mode Dress; Lynn Posluns, v.p.-Fairweather; Donald J. Evans, v.p.-men's wear; Mickey Maklin, v.p.-Thrifty's; Harry Steinberg, v.p.-Fairweather; Norman Shaw, v.p.-M.I.S.; Donald A. Williams, secretary & chief financial officer; David Beiles, v.p.-corp. development; Carol Cox, v.p.-human resources; Gunter Leverenz, v.p.-distribution; Vince Nitti, v.p.-retail development; Eric Paul, v.p.; Irving Teitelbaum, v.p.-women's wear; David Wolpin, v.p.-Paulman Apparel.

Directors: Kenneth Axelrod, D. W. Casey, J. F. Kay, S. F. Kay, David Koon, Irving Levine, Sydney Loftus, Irving Posluns, Richard Posluns, Wilfred Posluns, Lionel Robins, Harry Rosen, S. M. Sigel, W. H. Singer, H. J. Stitt, Henry Zagdanaki, A. H. Zalkin, Irving Teitelbaum, Gordon Edelstone, Donald J. Evans, Russell Jacobson, Donald A. Williams, Wendy Posluns.

Business Activities: Engaged in the specialty merchandising of apparel with women's, men's and family retail clothing stores located throughout Canada. Stores operated under such names as Fairweather/Daniel Hechter, Big Steel Man, Braemar, Ruby's, Suzy Shier/L.A. Express, Tip Top, Harry Rosen, Thrifty's, T. Edwards, B.H. Emporium, Club Monaco, Alfred Sung, and Bi-Way. Manufactures women's and children's coats, dresses and sportswear marketed under such brand names as "Young Canadian", "Thunder Bay", "Picknit", "Sung Sport", and "Nu-Mode", men's and women's sweaters and men's casual clothing. Dylex holds a 50% interest in Town & Country, a chain of sports and casual women's wear stores, and a 48.5% interest in Drug World, which operates six drug stores in Ontario, Canada. In the U.S., the Company operates Wet Seal and Foxmoor young women's apparel stores, Club International men's clothing stores, and NBO off-price clothing stores.

Trademarks and/or Brand Names: New Editions, Nu-Mode, Posluns, Shapes, Signature Collection, Forsyth, Pierre Cardin, Leshman, Nino Cerruti, Henley, Target Apparel, Angels Flight, Picknit, Thunder Bay, Young Canadian, Sung Sport.

Divisions and Subsidiaries:

Manchester Clothing
9494 St. Laurent Boulevard
Montreal, Quebec H2N 1P4
Specializes in the manufacture of women's coats.

National Knitting Mills Company
1485 Dupont Street
Toronto, Ontario M6P 3S2
Manufactures men's and women's sweaters.

San Remo Knitting Mills Inc. (75% owned)
5333 Casgrain Street
Montreal, Quebec H3T 1X3
Manufactures men's casual clothing.

Forsyth Trading Company (26.67% interest)
36 Horner Avenue
Toronto, Ontario M8Z 5Y1

Irving Posluns' Outerwear
637 Lakeshore Boulevard West
Toronto, Ontario M5V 1A8
Coat manufacturers.

Nu-Mode Dress (75% interest)
530 Adelaide Street West
Toronto, Ontario M5V 2K7
Manufactures women's dresses.

Paulman International Apparel Ltd. (75% owned)
955 Weston Road
Toronto, Ontario M6N 3R4

Shane Knit Ltd. (50% owned)
456 Alliance Avenue
Toronto, Ontario M6N 2J2
Manufactures men's and women's sweaters.

Suzy Shier Inc. (50.1% owned)
1604 St. Regis Boulevard
Dorval, Quebec H9P 1H6

B. H. Emporium
637 Lakeshore Blvd. West
Toronto, Ontario M5V 1A8

Big Steel Man
637 Lakeshore Blvd. West
Toronto, Ontario M5V 1A8

Bi-Way Stores Limited
115 Commander Blvd.
Scarborough, Ontario M1S 3M7

Braemar
637 Lakeshore Blvd. West
Toronto, Ontario M5V 1A8

Town & Country/Petites (50% owned)
4100 Weston Road
Toronto, Ontario M9L 2Y6

Fairweather/Daniel Hechter
637 Lakeshore Blvd. West
Toronto, Ontario M5V 1A8

NBO Stores, Inc.
60 Enterprise Avenue
Secaucus, New Jersey

Harry Rosen Inc. (51% owned)
111 Richmond Street West
Toronto, Ontario M5H 2G4

Target Apparel
(Integrated Manufacturing)
965 Weston Road
Toronto, Ontario M6N 3R4

Thrifty Riding & Sport Shop Limited
637 Lakeshore Blvd. W.
Toronto, Ontario M5V 1A8

Tip Top Tailors
637 Lakeshore Blvd. West
Toronto, Ontario M5V 1A8

Weston Apparel Manufacturing
(Integrated Manufacturing)
965 Weston Road
Toronto, Ontario M6N 3R4

The Wet Seal Inc.
(87.78%-owned by Suzy Shier Inc.)
1852 Kaiser
Irvine, California 92714

Club International, Inc.
Fox Valley Shopping Centre
Highway 59 & 65
Aurora, Illinois 60505

Foxmoor Specialty Stores Corporation
(48.5% owned)
393 Manley Street
West Bridgewater, Massachusetts 02379

Drug World
(48.5% interest)

T. Edwards (48.5% interest)

Transfer Agent(s):

{
The Royal Trust Company
Toronto, Ontario, Canada

Stock Exchange(s): Toronto, Montreal

Ticker Symbol: DLX

Sales & Earnings

	Net Sales (000's)	Net Income ‡ (000's)
1988	\$ 1,444,738	\$ 29,785
1987	1,299,856	(117,821)
1986	1,208,600	25,118
1985	1,082,133	46,753
1984	926,676	41,196

(Loss)
‡ Before extraordinary items.
§ Based on the average number of common shares and Class A shares combined adjusted to reflect stock split.

Revenues by Line of Business (000's)

	1988	1987
Retail	\$ 1,383,656	\$ 1,228,086
Manufacturing	77,791	83,541
Other	(16,709)	(11,771)
Total	\$ 1,444,738	\$ 1,299,856

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1988	\$ 0.20	—	—
1987	0.20	—	—
1986	0.20	—	—
1985	0.19	—	3-for-1
1984	0.17	—	—

‡ On common and Class A shares; adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 369,184,000	\$ 7.48
1987	355,052,000	7.23
1986	336,617,000	7.01
1985	269,031,000	5.76
1984	225,636,000	4.83

‡ Based on the average number of common shares and Class A shares combined adjusted to reflect stock split.

Income Account (000's)

Year ended	1/28/89	1/30/88
Net sales	\$ 1,444,738	\$ 1,299,856
Cost of sales	1,308,898	1,175,865
Depreciation & amortization	32,644	27,872
Interest expense	34,511	27,548
Interest income	(10,603)	(13,363)
Income before taxes	\$ 79,288	\$ 81,934
Income taxes	37,183	41,610
Loss from invest.	6,965	1,726
Minority interest	3,882	3,468
Settle. of Brooks Fashion litigation	1,473	—
Loss & writedown of invest. in Brooks Fashion	—	152,951
Net Income (Loss)	\$ 29,785	\$ (117,821)

Eastman Kodak Company

	Assets (000's)	1/28/89	1/30/88
As of			
Cash & short-term deposits	\$	202,330	\$ 216,890
Accts. receiv., net		43,400	25,086
*Inventories		204,225	174,572
Prepaid expenses		3,785	4,779
Deferred income taxes		—	2,370
Notes & other invest.		2,913	2,640
Current Assets	\$	456,653	\$ 426,337
Investments		80,044	113,039
#Fixed assets		79,628	73,819
Leased assets under cap. leases		78,314	72,659
Intangibles		47,963	17,497
Total Assets	\$	742,602	\$ 703,351

	Liabilities	1/28/89	1/30/88
Long-term debt, curr.	\$	1,858	\$ 886
Accts. payable		151,099	126,537
Income & other taxes		9,948	18,032
Cap. lease oblig., curr.		17,957	16,514
Curr. Liabilities	\$	180,862	\$ 161,969
Long-term debt		107,969	112,731
Oblig. under cap. leases		62,262	57,797
Def. for each gain		2,392	—
Minority interest		18,846	15,802
Deferred inc. taxes		1,087	—
Convertible debentures		152,375	150,875
+Common stock		1,687	1,687
+Class A Stock		92,853	89,750
+Class C Stock		51,495	51,495
Add. paid-in capital		1,412	1,435
Each. trans. adjust.		(14,747)	(3,952)
Retained earnings		84,109	63,762
Total Liabilities & Shareholders' Equity	\$	742,602	\$ 703,351

* At lower of cost and net realizable value. Mfg. inventories at lower of cost (FIFO) and net realizable value.
Less accumulated depreciation.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	5.49	6.30
% Net Income to Sales	2.06	—
% Net Income to Equity	8.07	—
Sales to Inventories	7.07	7.45
Debt to Equity	0.51	0.53
Working Capital	\$ 275,791,000	\$ 264,368,000
Current Ratio	2.52	2.63
Shareholders' Equity	\$ 369,184,000	\$ 355,052,000

Eagle Clothes, Inc.

10 West 33rd Street
New York, New York 10001
(212) 947-6635

Officers: Mortimer H. April, chairman of the board & chief executive officer; Marvin A. Blumenfeld, president & chief operating officer; Arthur M. Chase, executive vice president; Robert Kuhn, executive vice president; Roy Marcus, sr. v.p. & chief financial officer; Harvey Casher, treasurer & secretary.

Directors: Mortimer H. April, chairman of the board; Marvin A. Blumenfeld, Arthur M. Chase, Walter Feldesman, Louis Green, Louis Kuhn, Robert L. Kuhn, Robert Lamb, Stanley Simon, Frank Zolfo.

Business Activities: Designs, manufactures (through subcontractors) and markets men's suits, slacks, and sportcoats primarily under the "Eagle" and "Giorgio Sant' Angelo" trade names. The Company is also engaged in providing merchandise and merchandising and consulting services to "off-price" menswear retailers, and is a promoter and liquidator of merchandise for special situations and troubled companies.

Trademarks and/or Brand Names: College Hall, Eagle Clothes, Eagle University, Etienne Carron, Giorgio Sant' Angelo, Golden Eagle, Middinade, Sussex, Witty Bros.

Divisions and Subsidiaries:

Eagle Clothes Division
April-Marcus, Inc.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: EGL

Sales & Earnings

	Net Revenues	Net Income †
1987	\$ 121,731,000	\$ 826,000
1986	113,099,000	(1,490,000)
1985	97,040,000	1,299,000
1984	104,307,000	2,211,000
1983	96,559,000	5,312,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	7,714,373	\$ 0.11
1986	6,273,663	0.20
1985	6,427,891	0.35
1984	6,266,346	1.05
1983	5,000,000	1.05

(Loss)
† Including extraordinary gains of \$493,000 (\$0.07 per share) in 1987, \$177,000 (\$0.03 per share) in 1986, \$797,000 (\$0.12 per share) in 1985, \$676,956 (\$0.11 per share) in 1984 and \$2,743,000 (\$0.55 per share) in 1983.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1987	1986
Merchandising & consulting	\$ 106,222,000	\$ 102,364,000
Retailing	39,698,000	24,225,000
Mfg. & wholesaling	11,640,000	9,947,000
Eliminations	(35,829,000)	(23,437,000)
Total	\$ 121,731,000	\$ 113,099,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	\$ 22,109,731	\$ 2.87
1986	21,281,940 †	3.39
1985	23,113,897 †	3.60
1984	21,984,246 †	3.51

† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*

	1987	1986
Year ended July 31		
Net revenues	\$ 121,731,241	\$ 113,098,504
Cost of sales	88,771,179	90,055,737
Expenses	30,641,522	23,196,315
Interest expense	1,563,671	1,474,528
Amort. of exc. cost over value of assets acq.	80,318	38,916
Income (loss) bef. taxes	\$ 674,551	\$ (1,666,992)

Income taxes	342,000	—
Net Income (Loss)	\$ 332,551	\$ (1,666,992)
Extraord. gain	493,000	177,000
Net Income (Loss) & extraord. gain	\$ 825,551	\$ (1,489,992)

* Included in Costs and Expenses, Depreciation and Amortization: \$745,754 in 1987 and \$570,064 in 1986.

Assets

	As of Jul. 31	1987	1986
Cash	\$	940,250	\$ 1,127,829
Accts. receiv., net		8,318,276	6,021,128
*Inventories		39,459,263	38,649,847
Other curr. assets		1,856,442	1,331,373
Current Assets	\$	50,594,231	\$ 47,130,177
#Fixed assets		3,218,338	2,172,750
Notes receivable		3,236,000	3,236,000
Other assets		1,557,616	2,061,930
Intangibles		2,192,203	1,578,489
Total Assets	\$	60,798,388	\$ 56,179,346

Liabilities

Notes payable	\$	8,000,000	\$ 6,500,000
Accts. payable		14,427,073	12,832,088
Income taxes		1,745,242	1,658,773
Curr. Liabilities	\$	24,172,315	\$ 20,980,861
Long-term debt		5,080,290	4,307,975
Cost advances		8,905,052	8,898,330
Income taxes payable		531,000	708,000
+Preferred stock		—	2,240
+Common stock		8,150,000	6,650,000
Add. paid-in capital		16,109,173	17,606,933
Retained earnings (deficit)		(1,025,126)	(1,850,677)
Treasury stock		(1,124,316)	(1,124,316)
Total Liabilities & Shareholders' Equity	\$	60,798,388	\$ 56,179,346

* At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ \$1 par value.

Statistical Summary

% Income bef. Taxes to Sales	0.55	—
% Net Income to Sales	0.27	—
% Net Income to Equity	1.50	—
Sales to Inventories	3.08	2.93
Debt to Equity	0.59	0.51
Working Capital	\$ 26,421,916	\$ 26,149,316
Current Ratio	2.09	2.25
Shareholders' Equity	\$ 22,109,731	\$ 21,284,180

Eastman Kodak Company

343 State Street
Rochester, New York 14650
(716) 724-4000

Officers: Colby H. Chandler, chairman of the board & chief executive officer; Kay R. Whitmore, president; J. Phillip Samper, vice chairman; Peter Giles, v.p. & dir.-corp. commercial affairs; David J. Metz, v.p. & dir.-corp. communications & public affairs; Robert L. Long, v.p. & dir.-corp. planning; Cecil D. Quillen, Jr., sr. v.p. & general counsel; Paul L. Smith, sr. v.p. & dir.-finance & adm.; C. Michael Hamilton, treasurer; George D. Lord, v.p. & dir.-financial planning; Julian M. Gordon, general comptroller; William L. Sutton, sr. v.p. & dir.-corp. relations; John R. McCarthy, v.p.-personnel relations; Andrew Donovan, secretary & associate general counsel; Edwin P. Przybylowski, sr. v.p. & dir.-research; William F. Fowble, sr. v.p. & gen. mgr.-manufacturing, distribution & field support; Frank P. Strong, Jr., group v.p. & gen. mgr.-diversified technologies; Lawrence J. Matteson, group v.p. & gen.

Eastman Kodak Company

mgr.-commercial and information systems, Wilbur J. Preziano, group v.p. & gen. mgr.-photographic products, R. Frederick Porter, v.p. & dir.-litigation operations, Katherine M. Hudson, v.p. & dir.-corp. information systems, Earnest W. Deavenport, Jr., group v.p. & president-Eastman Chemicals, Leo J. Thomas, chairman-Sterling Drug Inc., Louis P. Mattis, president-Sterling Drug Inc.

Directors: Colby H. Chandler, chairman, Walter A. Fallon, Juanita M. Kreps, Roger E. Anderson, Cecil D. Quillen, Jr., Charles T. Duncan, Toy F. Rend, William L. Sutton, Kay R. Whitmore, J. Phillip Samper, David S. Saxon, Paul L. Smith, John F. Burlingame, Richard S. Braddock, John J. Phelan, Jr.

Business Activities: Develops, manufactures and markets still and motion picture cameras and projectors, lenses, microfilming units, and professional photographic equipment; photographic films, papers, plates and chemicals; business equipment and related products, including copier-duplicators, batteries; light-sensitive materials for scientific use, positive-working photoresists for fabricating circuit boards; duplicating plates for making negative copies of printed circuits; man-made fibers, industrial chemicals and plastics; pharmaceutical specialty products, proprietary products, medical radiography and clinical diagnostic material and equipment, and household and other products.

Textile-related products include Kodol polyester staple fiber, Kodol polyester filament yarn, Easton acetate yarn, Chromspun solution-dyed acetate yarns, used in apparel, apparel fabrics, home furnishings, fiberfill, non-wovens, and industrial applications.

Textile Trademarks and/or Brand Names: Arloft, Chromspun, Eastman, Eastbond, Eastobrite, Eastone, Eastobond, Easton, SLR, Kodasoft, Kodofill, Kodol, Loftex Vercel.

Divisions and Subsidiaries:

Copy Products Division
Life Sciences Division
Bioscience/Emerging Businesses Division
Laboratory & Research Products Division
Pharmaceuticals Division
Clinical Products Division
Health Sciences Division
Mass Memory Division
Federal Systems Division
Consumer Services Division
U.S. Sales Division

Kodak Apparatus Division
901 Elmgrove Road
Rochester, New York 14650
(716) 724-4000

Business Imaging Systems Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Motion Picture and Audiovisuals Products Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Consumer Products Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Graphics Imaging Systems Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Photofinishing Systems Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Eastman Technology, Inc.
343 State Street
Rochester, New York 14650
(716) 724-4000

Professional Photography Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Customer Equipment Services Division
800 Lee Road
Rochester, New York 14650
(716) 458-6143

Eastman Chemicals Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Arkansas Eastman Company
P.O. Box 2357
Batesville, Arkansas 72501
(501) 698-1811

Carolina Eastman Company
P.O. Box 1782
Columbia, South Carolina 29202
(803) 794-9200

Tennessee Eastman Kodak
P.O. Box 511
Kingsport, Tennessee 37662
(615) 246-2111

Texas Eastman Company
P.O. Box 7444
Longview, Texas 75601
(214) 757-6611

Eastman Gelatine Corporation
227 Washington Street
Peabody, Massachusetts 01960
(617) 531-1700

Alex, Inc.
Bedford, Massachusetts

Kodak Canada Inc.
3500 Eglinton Avenue West
Toronto, Ontario M6M 1V3, Canada
(416) 766-8233

Kodak Limited
P.O. Box 66
Kodak House, Station Road, Hemel Hempstead
Hertfordshire HP1 1JU, England

Kodak-Pathe S.A.
8-26 rue Villiot
Paris, Cedex 12 75008, France

Kodak A.G.
Postfach 369
7000 Stuttgart 60, Germany

Kodak (Australasia) Pty. Ltd.
173-3058 Elizabeth Street
Coburg, Victoria, Australia

Kodak Brasileira C.L.L.
Av. Brigadier Faria Lima, 1815, 7th Floor
Caixa Postal 225
Sao Paulo 01000, Brazil

Datatape Division
Manufactures high-technology digital & analog recording equipment.

Eastman Kodak International Sales Corporation
Torrey Pines Realty Company, Inc.
Garlic Development Corporation
Kodak Programs, Inc.
Cyclotomics, Inc.
Diconix, Inc.
Ektron Applied Imaging, Inc.
Qualis Photofinishing Company
Eastman Chemical Products, Inc.
Holston Defense Corporation
Mustang Pipeline Company
Pinto Pipeline Company of Texas
Kodak International Management Corp.
Kodak Processing Laboratory, Inc.
Eastman Kodak Communications, Inc.
Eastman Chemical International Ltd.
Eastman Chemical Brasileira Ltda.
Eastman Chemical International, A.G.
Ectona Fibres Limited
Kodak Argentina, Ltd.
American Photo, S.A.
Kodak Chilena S.A.F.
Foto Interamericana de Colombia, Ltd.
Kodak Mexicana, Ltd.
Kodak Panama, Ltd.
Kodak Export Limited

Laboratorios Kodak Limitada
Foto Interamericana de Peru, Ltd.
Kodak Caribbean, Limited
Kodak Uruguay, Ltd.
Foto Interamericana de Venezuela, S.A.

Verbatim Corporation
Manufacturer and marketer of flexible disks for use in computers and word processing systems.

Eikonix Corporation
Designs and manufactures digital image-processing equipment.

Fox Photo, Inc.
A photofinisher which operates wholesale photo labs and mini labs in 23 states.

American Photographic Group
A wholesale photofinishing company operating in 17 states.

Sterling Drug Inc.
90 Park Avenue
New York, New York 10016
(212) 907-2000
A major pharmaceutical firm.

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
P.O. Box 1250
Rochester, New York 14603

Stock Exchange(s): New York, Midwest, Pacific, Boston, Philadelphia, Paris, London, Tokyo.

Ticker Symbol: EK

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1988	\$ 17,034,000	\$ 1,397,000
1987	13,305,000	1,178,000
1986	11,550,000	374,000
1985	10,631,000	332,000
1984	10,600,000	923,000

	No. of Com. Shares +	Earn. per Share #
1988	324,200,000	\$ 4.31
1987	324,100,000	3.52
1986	338,700,000	1.10
1985	338,500,000	0.97
1984	350,000,000	2.54

+ Adjusted to reflect stock splits.
Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Dividend	Stock Split
1988	\$ 1.90	—	—
1987	1.71	—	—
1986	1.63	—	—
1985	1.62	—	3-for-2
1984	1.60	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity (000's)	Equity Per Share #
1988	\$ 6,780,000	\$ 20.91
1987	6,013,000	18.55
1986	6,388,000	18.86
1985	6,562,000	19.39
1984	7,137,000	20.39

Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	12/25/88	12/27/87
Net sales	\$ 17,034,000	\$ 13,305,000
Cost of sales	9,601,000	8,004,000
Expenses	4,495,000	3,190,000
Oper. profit	\$ 2,938,000	\$ 2,111,000
Investment income	132,000	83,000
Total	\$ 3,070,000	\$ 2,194,000
Interest exp.	697,000	181,000
Other expense	137,000	29,000
Income before taxes	\$ 2,236,000	\$ 1,984,000
Income taxes	839,000	806,000
Net Income	\$ 1,397,000	\$ 1,178,000

* Included in Costs and Expenses, Depreciation and Amortization: \$1,183,000,000 in 1988 and \$995,000,000 in 1987.

Assets
(000's)

As of	12/25/88	12/27/87
Cash	\$ 848,000	\$ 702,000
Marketable securities	227,000	290,000
Receiv., net	4,071,000	3,144,000
*Inventories	3,025,000	2,178,000
Deferred inc. taxes	272,000	326,000
Prepaid expenses	241,000	151,000
Current Assets	\$ 8,684,000	\$ 6,791,000
#Fixed assets	8,013,000	6,663,000
Other assets	6,267,000	1,244,000
Total Assets	\$ 22,964,000	\$ 14,698,000

Liabilities
(000's)

Payables	\$ 5,277,000	\$ 3,614,000
Dividends payable	162,000	146,000
Income & other taxes	411,000	380,000
Curr. Liabilities	\$ 5,850,000	\$ 4,140,000
Long-term borrowings	7,779,000	2,382,000
Other liabilities	990,000	743,000
Deferred inc. taxes	1,565,000	1,420,000
+ Common stock	934,000	933,000
Add. paid-in capital	1,000	—
Retained earnings	7,922,000	7,139,000
Cum. trans. adjust.	(18,000)	—
Treasury stock	(2,059,000)	(2,059,000)
Total Liabilities & Shareholders' Equity	\$ 22,964,000	\$ 14,698,000

* At cost which is not in excess of market. U.S. inventories at LIFO; foreign at FIFO or average.
Less accumulated depreciation.
+ \$2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.13	14.91
%Net Income to Sales	8.20	8.85
%Net Income to Equity	20.60	19.59
Sales to Inventories	5.63	6.11
Debt to Equity	1.15	0.40
Working Capital (000's)	\$ 2,834,000	\$ 2,651,000
Current Ratio	1.48	1.64
Shareholders' Equity (000's)	\$ 6,780,000	\$ 6,013,000

Officers: Richard E. Kroon, chairman of the board; Kenneth Lever, president & chief executive officer; Frederick H. Bond, Jr., executive v.p., chief financial officer & treasurer; Robert Defonte, sr. v.p. & secretary; Charles Goldberger, president-Goldbergs' Marine, Inc.; Richard Goldberger, v.p.-marketing; Daniel B. Morris, controller & asst. treasurer; Thomas Grabowski, v.p.-store operations; Jack Howie, director-real estate; Andrew Riegler, director-management information systems; William Metz, director-mail order sales.

Directors: Richard E. Kroon, chairman of the board; Frederick H. Bond, Jr., Charles Goldberger, Robert Defonte, Randall S. Uner, Joseph M. Cabon, Richard Goldberg, Daniel B. Morris, Thomas Grabowski, Jack Howie, Andrew Riegler, John H. Weiland.

Business Activities: The Company markets a line of soft-goods merchandise that includes jackets, sweaters and similar outerwear clothing in addition to boating shoes and foul weather gear. These products are marketed under the names "Made for a Life at Sea," "Norlantic," "North Atlantic Trading Co." and "James Bliss" and are sold primarily through the Company's 31 marine retail outlets in nine eastern states, and through direct mail.

Trademarks and/or Brand Names: Made for a Life at Sea, Norlantic, North Atlantic Trading Co., James Bliss.

Subsidiaries:

Goldbergs' Marine, Inc.
James Bliss & Co., Inc.
E&B Marine Supply Inc.
Central Marine Supply Inc.
SeaRanger

Transfer Agent(s):

Manufacturers Hanover Trust Co.
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): Over-the-Counter, Boston

Ticker Symbol: EBMI (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1988	\$ 88,621,000	\$ (14,790,000)
1987	84,512,000	(4,904,000)
1986	80,524,000	(1,661,000)
1985	56,374,000	1,301,000
1984	39,356,000	1,509,000

No. of Com. Shares ‡

Earn. per Share ‡

1988	2,000,000	\$ —
1987	1,986,000	—
1986	1,980,000	—
1985	2,065,000	0.63
1984	2,328,000	0.65

(Loss)

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ (8,869,000)	\$ —
1987	5,678,000	2.86
1986	10,467,000	5.29
1985	11,955,000	5.79
1984	14,843,000	6.38

(Deficiency)

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended Dec. 31	1988	1987
Net sales	\$ 88,621,164	\$ 84,511,627
Cost of sales	55,691,427	55,124,064
Expenses	34,486,008	31,343,057
Depreciation & amortization	2,795,222	2,116,956
Interest expense	2,776,274	2,831,601
Loss bef. taxes	\$ (14,789,997)	\$ (6,904,051)
Tax credit	—	(2,000,000)
Net Loss	\$ (14,789,997)	\$ (4,904,051)

Assets

As of Dec. 31	1988	1987
Cash	\$ 496,550	\$ 605,049
Accts. receiv., net	1,099,941	848,518
Refundable taxes	143,324	2,280,045
*Inventories	17,358,552	16,083,083
Prepaid expenses	1,209,410	1,062,123
Loans receivable	55,018	52,759
Current Assets	\$ 20,362,795	\$ 20,931,577
Notes receivable	—	750,000
#Fixed assets	4,171,148	5,202,281
Customer lists	2,482,983	3,558,879
Other assets	1,302,316	1,357,580
Intangibles	2,230,101	7,796,999
Loans receivable	—	906,637
Total Assets	\$ 30,549,343	\$ 40,503,953

Liabilities

Revolving line of credit	\$ 600,000	\$ —
Long-term debt, curr.	64,092	78,134
Accts. payable & accruals	12,853,574	6,695,562
Curr. Liabilities	\$ 13,517,666	\$ 6,773,696
Revolving line of credit	10,000,000	11,500,000
Note payable	710,000	710,000
Convert. debentures	—	750,000
Long-term debt	15,010,425	15,092,342
Other liabilities	180,000	—
+Common stock	23,448	23,198
Add. paid-in capital	10,091,305	10,028,883
Retained earnings (deficit)	(15,062,234)	(272,237)
Treasury stock	(3,344,392)	(3,436,304)
Value assigned to unearned comp.	(576,875)	(665,625)
Total Liabilities & Shareholders' Equity	\$ 30,549,343	\$ 40,503,953

* At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ \$0.01 par value.

Statistical Summary

Sales to Inventories	5.11	5.25
Debt to Equity	—	2.80
Working Capital	\$ 6,845,129	\$ 14,157,881
Current Ratio	1.51	3.09
Shareholders' Equity (Deficiency)	\$ (8,868,748)	\$ 5,677,915

Elders IXL Limited

One Garden Street, South Yarra
Victoria 3141, Australia
(03) 249 2424

Directors: J. D. Elliott, chairman & chief executive; John M. Baillieu, deputy chairman; P. T. Bartels, chief exec.-Elders Brewing Group; K. C. Jarrett, chief exec.-Elders Finance Group Limited; M. R. Nugent, chief exec.-Elders Agribusiness Group; Alan G. McGregor, deputy chairman-Elders Finance Group Limited; G. F. Lord, managing

E&B Marine Inc.

201 Meadow Road
P.O. Box 747
Edison, New Jersey 08818
(201) 819-7400

Elders IXL Limited

director-Elders Resources NZFP Limited; K. R. Biggins, group dir.-administration & services; E. A. Burton, director-Elders Finance Group Limited; D. I. Darling, O. R. Gunn, I. M. McLachlan, S. B. Myer, P. D. Scanlon, G. M. Niall, Edward Williams.

Business Activities: The activities of the Company are carried out through four operating groups: Brewing, Agribusiness, Finance, and Resources. Textile-related operations are conducted through Elders International Wool Division, which is the largest purchaser, processor and exporter of wool in Australia. This division is also involved in trading and processing other natural fibers.

Textile Subsidiaries:

Elders International Wool (UK) Limited
Elders International Wool Pty. Ltd.
W. Fein & Sons Ltd. (U.K.)
Elders International N.Z. Ltd.

Share Register(s):

Price Waterhouse
3rd Floor, 215 Spring Street
Melbourne, Victoria 3000, Australia

Lloyds Bank PLC
Goring-by-sea
Worthing
West Sussex BN12 6DA, England

Bank of New York*
New York, New York, U.S.A.
*Sponsors the Company's American Depositary Receipts

Stock Exchange(s): Melbourne, Sydney, Adelaide, Brisbane, Perth, Hobart, London, New Zealand, Amsterdam, Frankfurt, Tokyo, Zurich, Basle, Geneva, over-the-counter (U.S.A.), Montreal*, Toronto* *Trades as an American Depositary Receipt.

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1988	\$ 15,350,347	\$ 795,385
1987	10,560,000	349,630
1986	7,659,000	202,214
1985	6,995,000	N.A.
1984	5,582,000	N.A.

	No. of Com. Shares #	Earn. per Share ‡
1988	1,432,784,811	\$ 0.478
1987	974,306,389	0.360
1986	417,346,457	0.281
1985	N.A.	0.185
1984	N.A.	0.121

N.A. - Not Available.

Adjusted to reflect stock split.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business (000's)

	1988	1987
Brewing	\$ 4,705,315	\$ 3,423,467
Agribusiness	8,776,361	5,883,831
Finance	853,423	686,890
Resources	10,132	3,184
Elders Invest. Ltd.	224,058	—
Investments & other	781,058	562,555
Total	\$ 15,350,347	\$ 10,560,327

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	\$ 0.209	—	5-for-4
1987	0.143	—	—
1986	0.109	—	—
1985	0.095	—	—
1984	0.067	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1988	\$ 3,312,000	\$ 2.31
1987	2,094,000	2.15
1986	761,000	1.82
1985	588,000	—
1984	491,000	—

‡ Adjusted to reflect stock split.

Income Account (000's)

Year ended June 30	1988	1987
Net sales	\$ 15,350,347	\$ 10,560,327
Cost of sales	4,891,427	3,277,014
Expenses	9,422,652	6,852,821
Depreciation & amortization	149,310	112,743
Doubtful debts, fin. fluct., emp. entitle. & other	—	—
revenue	178,938	100,422
Auditors' charges	7,583	4,801
Interest expense	848,817	742,859
Bad debts	6,693	10,175
Other expenses	64,523	34,936
Profit on sale of assets	(20,996)	(22,687)
Interest income	(584,372)	(472,858)
For each. gains	(15,632)	(112)
Other income	(564,372)	(472,858)
Income before taxes	\$ 968,776	\$ 393,071
Income taxes	176,652	41,572
Minority interests	(3,261)	1,869
Net Income	\$ 795,385	\$ 349,630

Assets (000's)

As of June 30	1988	1987
Cash	\$ 946,111	\$ 329,327
Accts. receiv., net	876,581	677,780
*Inventories	815,734	2,418,759
Other curr. assets	56,358	41,141
Current Assets	\$ 2,694,784	\$ 3,467,007
Accts. receiv.	78,708	59,078
Investments	3,139,110	2,523,502
#Fixed assets	2,350,646	2,764,357
Other assets	491,899	446,638
Finance subad.	443,146	403,153
Total Assets	\$ 9,198,293	\$ 9,663,735

Liabilities (000's)

Long-term debt, curr.	\$ 271,799	\$ 167,970
Accts. payable	1,111,336	1,353,682
Income taxes	179,510	105,016
Dividends	206,168	54,957
Other current liabilities	188,732	272,875
Current Liabilities	\$ 1,957,545	\$ 1,654,500

Long-term debt	2,005,739	3,121,111
Deferred inc. taxes	475,580	399,721
Empl. entitlements	33,995	33,875
Other provisions	434,341	83,153
Other liabilities	177,502	158,490
+ Preferred stock	10,000	10,000
+ Common stock	1,433,334	882,099
Reserves	1,032,415	1,730,631
Retained earnings	838,583	440,377
Minority interest	217,925	55,274
Convertible bonds	580,934	1,094,504

Total Liabilities & Shareholders' Equity	\$ 9,198,293	\$ 9,663,735
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* At lower of cost or net realizable value.

Less accumulated depreciation.

+ \$0.10 par value.

++ \$1 par value.

Statistical Summary

% Income bef. Taxes to Sales	6.31	3.72
% Net Income to Sales	5.18	3.31
% Net Income to Equity	22.52	11.21
Sales to Inventories	18.82	4.37
Debt to Equity	0.64	1.05
Working Capital	\$ 737,239,000	\$ 1,812,507,000
Current Ratio	1.38	2.10
Shareholders' Equity	\$ 3,532,657,000	\$ 3,118,381,000

Ensign Clothing Limited

Hyde Street
Cape Town 8001, Republic of South Africa
45-5685

P.O. Box 1098
Cape Town 8000, Republic of South Africa

Officers: Ronald Roy B. Com, chairman & managing director; Dennis Roy, deputy managing director; David de Waal Meyer, Charles Gordon Roeler, Alan Michael Bissett, secretary.

Business Activities: Manufactures protective clothing, including overalls, uniforms and rainwear, and leisurewear.

Trademarks and/or Brand Names: Samson, Samson International, Ensign, Macbean.

Plant Locations: Cape Town & Atlantis, Republic of South Africa

Subsidiaries:

Macbean African Oilskins (Pty.) Ltd.
P.W. Hall (Africa) Pty. Ltd.
Athol American Shirt Company (Pty.) Ltd.
Benmor Clothing Manufacturers (Pty.) Ltd.

Sales & Earnings

	Net Sales	Net Income
1988	N.A.	R816,000
1987	N.A.	812,000
1986	N.A.	472,000
1985	N.A.	341,000
1984	N.A.	498,000

No. of Com. Shares

	Earn. per Share
1988	660,000
1987	660,000
1986	660,000
1985	660,000
1984	660,000

N.A. - Not available.

R - South African rand.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 0.35	—	—
1987	0.35	—	—
1986	0.22	—	—
1985	0.15	—	—
1984	0.25	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	R6,641,352	R10.06
1987	6,078,444	9.21
1986	5,519,000	8.36
1985	5,214,000	7.90
1984	4,995,000	7.57

Income Account*

Year ended Dec. 31	1988	1987
Turnover-%change over previous year	+16.3%	+22.6%
Income before interest and taxes	R1,625,238	R1,510,539
Interest expense	189,037	111,543
Income before taxes	R1,436,201	1,398,996
Income taxes	620,113	586,612
Net Income	R816,088	R812,384

* Included in Costs and Expenses, Depreciation: R269,164 in 1988 and R242,449 in 1987

Assets

As of Dec. 31	1988	1987
Accts. receiv. net	R4,139,543	R3,531,946
*Stock	5,668,358	4,828,562
Current Assets	R9,807,901	R8,360,508
*Fixed assets	1,684,582	1,710,118
Total Assets	R11,492,483	R10,070,626

Liabilities

Bank borrowings	R1,674,348	R652,385
Accts. payable	1,937,079	1,933,971
Taxes	251,581	411,494
Dividends	143,100	143,100
Corr. Liabilities	R4,006,108	R3,140,950
Long-term liabilities	475,023	481,212
+Preferred stock	370,000	370,000
+Common stock	330,000	330,000
Non-distrib. reserve	834,836	834,836
Retained earnings	5,476,516	4,913,628
Total Liabilities & Shareholders' Equity	R11,492,483	R10,070,626

* At lower of cost and net realizable value.
* Less accumulated depreciation.
+ R2 par value; 6% cumulative.
++ R0.50 par value.

Statistical Summary

%Net Income to Equity	11.64	12.60
Debt to Equity	0.24	0.10
Working Capital	R5,801,793	R5,219,558
Current Ratio	2.45	2.66
Shareholders' Equity	R7,011,352	R6,448,464

Officers: Harold E. Sells, chairman of the board & chief exec. officer; Frederick E. Hennig, president & chief operating officer; Arnold S. Anderson, exec. v.p.-administration & general counsel; John H. Cannon, v.p. & treasurer; William K. Lavin, exec. v.p.-finance & chief financial officer; Joseph F. Carroll, v.p.-public affairs; Ted M. Annenberg, v.p.-deputy general counsel; Roy L. Gifford, v.p.-investor relations; Aubrey C. Lewis, v.p.-corporate liaison; C. Jackson Gray, v.p.-corporate planning & development; Thomas E. Page, v.p.-controller; Henry C. Miner, III, v.p.-taxation; Gary H. Brown, v.p.-real property; Charles T. Young, v.p.-management information systems; William R. Forcht, v.p.-human resources; William B. Thomson, secretary; Jacqueline D. Delafuente, asst. v.p.-law dept.; James J. O'Neil, asst. v.p.-taxation; Michael T. Steven, asst. controller; Laura T. Kirchner, asst. controller; Gary M. Bahler, asst. secretary; Christopher J. Hoey, asst. secretary; S. William Manterla, asst. secretary; James J. Pirretti, asst. secretary; Bobban S. Kosowich, asst. secretary; Frances E. Trachter, asst. secretary; Alfonso Tino, asst. treasurer.

Directors: Harold E. Sells*, chairman; Fred Kirby*, Seymour H. Knox, III*, Andrew F. Peck*, Margaret P. MacKinnon*, John W. Adams*, Jacobin Gilbert, Jr.*, Eugene J. Sullivan*, James E. Preston*, Helen Gailand*, John J. Mackowski*, John W. Lynn*, Frederick E. Hennig.

* Member of the Executive Committee

Business Activities: Operates 1,641 general merchandise retail stores under the Woolworth, Woolco, and Mini Shops names throughout the U.S., and in Canada, Mexico, and West Germany. The Company also operates 6,098 specialty stores and leased departments in the U.S., Canada, West Germany, and Australia. Specialty stores operations include 1,813 Kinney family shoe stores, 1,160 Foot Locker athletic footwear and apparel stores, 461 Lady Foot Locker athletic footwear and apparel shoe stores and leased departments in Woolco stores, 285 Mathers family shoe stores, 207 Athletic X-Press family athletic footwear and apparel stores, 165 Williams the Shoemen family shoe stores, 398 Kids Mart infants' and children's apparel stores, 243 Susie's women's clothing stores, 245 Afterthoughts/Carimar and 26 Rubin costume jewelry, handbags and accessories stores, 148 Richman men's and women's apparel stores, 129 Anderson-Little women's and men's clothing stores, 91 Fredelle women's high-fashion shoe stores, 81 Randy-Riger stores which sell women's high-fashion footwear in Australia and men's clothing in Canada, 134 Champs athletic equipment, footwear and activewear stores, 98 Sportelle women's casual apparel stores, 41 Raglans unisex casual apparel stores, 79 Moderna/De Schuh family shoe stores in West Germany, 71 Robinson's stores which sell apparel and other merchandise, 42 Northern Reflections stores which sell women's outdoor sportswear, 36 Footquarters discount family shoe stores, 21 Canary Island stores featuring men's and women's travel and vacation apparel, 18 Little Folk Shops featuring brand-name infants' and children's apparel, among others.

The Company's Richman Brothers subsidiary manufactures men's suits, sports coats, and slacks.

Trademarks and/or Brand Names: Richman Woman.

Divisions and Subsidiaries:

F.W. Woolworth Co. Limited Canada

Retail Company of Germany, Inc.

Kinney Shoe Corporation
New York, New York

The Richman Brothers Company
Fall River, Massachusetts

The Rx Place Division
Holtzman's Little Folk Shop, Inc.
U.S. Woolworth Division
Woolworth Overseas Corp.
Woolworth Mexicana, S.A. de C.V. (49% owned)

Transfer Agent(s):

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, Toronto, Boston*, Cincinnati*, Midwest*, Philadelphia*, Pacific* *Unlisted trading privileges.

Ticker Symbol: Z

Sales & Earnings

	Revenues †	Net Income
1988	\$ 8,088,000,000	\$ 288,000,000
1987	7,177,000,000	251,000,000
1986	6,531,000,000	214,000,000
1985	5,990,000,000	177,000,000
1984	5,763,000,000	141,000,000
	No. of Com. Shares †	Earn. per Share †
1988	64,000,000	\$ 4.47
1987	66,000,000	3.81
1986	65,000,000	3.25
1985	64,000,000	2.75
1984	63,000,000	2.22

(Loss)

† Includes sales of leased departments.

† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1988	1987
Specialty:		
Domestic	\$ 2,590,000	\$ 2,154,000
Foreign	2,154,000	426,000
General merchandise:		
Domestic	2,097,000	2,027,000
Foreign	2,885,000	2,636,000
Corp. & intersegment	(99,000)	(66,000)
Total	\$ 8,088,000	\$ 7,177,000

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1988	\$ 1.64	—	—
1987	1.32	—	—
1986	1.12	—	2-for-1
1985	1.00	—	—
1984	0.90	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity †	Equity Per Share †
1988	\$ 1,835,945,000	\$ 28.69
1987	1,707,000,000	26.54
1986	1,473,000,000	22.49
1985	1,205,000,000	18.80
1984	1,028,000,000	16.34

† After allowing for preferred stock at involuntary liquidation value.

† Adjusted to reflect stock split.

Income Account
(000's)

Year ended	1/28/89	1/30/88
Revenues	\$ 8,088,000	\$ 7,177,000
Cost of revenues	5,333,000	4,714,000
Expenses	2,063,000	1,859,000
Depreciation & amortization	1,777,000	147,000
Interest expense	71,000	51,000
Income before taxes	\$ 444,000	\$ 406,000
Income taxes	156,000	155,000
Net Income	\$ 288,000	\$ 251,000

F.W. Woolworth Co.

Woolworth Building
233 Broadway
New York, New York 10279
(212) 553-2000

F.W. Woolworth Co.

Assets (000's)		
As of	1/28/89	1/30/88
Cash & cash equiv.	\$ 81,000	\$ 259,000
*Inventories	1,715,000	1,522,000
Other assets	153,000	149,000
Current Assets	\$ 1,949,000	\$ 1,930,000
#Fixed assets	1,278,000	1,150,000
Leased prop. under cap. leases	78,000	82,000
Other assets	230,000	137,000
Total Assets	\$ 3,535,000	\$ 3,299,000

Liabilities (000's)		
Long-term debt & cap. lease oblig. curr.	\$ 23,000	\$ 19,000
Accts. payable	693,000	654,000
Accruals	380,000	330,000
Dividends payable	26,000	21,000
Income taxes	44,000	60,000
Curr. Liabilities	\$ 1,166,000	\$ 1,084,000
Long-term debt	252,000	243,000
Other liabilities	104,000	104,000
Oblig. under cap. leases	95,000	101,000
Defer. income taxes	74,000	51,000
+Preferred stock	1,000	1,000
+Common stock	247,000	250,000
Retained earnings	1,586,000	1,403,000
Treasury stock	(92,000)	(73,000)
For. curr. trans. adj.	102,000	135,000
Total Liabilities & Shareholders' Equity	\$ 3,535,000	\$ 3,299,000

* At lower of cost or market. LIFO for domestic inventories; FIFO for foreign.
Less accumulated depreciation.
+ \$1 par value. \$2.20 Series A, convertible.
++ \$3.33 1/3 par value.

Statistical Summary		
%Income bef. Taxes	5.49	5.66
%Net Income to Revenues	15.62	3.50
%Net Income to Equity	3.56	14.63
Debt to Equity	0.15	0.21
Working Capital	\$ 783,000,000	\$ 846,000,000
Current Ratio	1.67	1.78
Shareholders' Equity	\$ 1,844,000,000	\$ 1,716,000,000

Fab Industries, Inc.

200 Madison Avenue
New York, New York 10016
(212) 279-9000

Officers: Samson Bitensky, chairman of the board & president; Howard Soren, v.p. & treasurer; Sherman S. Lawrence, secretary; Steven Myers, v.p.; Susan Bitensky, v.p.-administration; Stanley August, v.p.-fabric operations.

Directors: Samson Bitensky, chairman; Sherman S. Lawrence, Lawrence H. Bober, Louis Feil, Robert L. Rosen, Donald D. Shack.

Business Activities: Engaged in the manufacturing and marketing of knitted textile products - tricot, warp knits and double knit fabrics, printed knits - and polyurethane (imitation leather) coated fabrics used extensively by the apparel, accessory and home furnishings industries. Also produces sheets, blankets and other bedding products.

Trademarks and/or Brand Names: SuperSuede, Bouclette, Frost Fire, SuperSuede-Plus, Wispasuede, SuperSuede Bonded, DoubleSuede, SuperSuede II, Panavelli, Panalure, Crepe Candide, Fabiana, Fabiella, Matte Grande.

Plant Locations: Amsterdam, N.Y.; Lincolnton, Cherryville, Salisbury, and Maiden, N.C.

Divisions and Subsidiaries

Adirondack Knitting Mills, Inc.
4 Prospect Street
Amsterdam, New York

Fab Craft Division
Fab-Lace, Inc.
Kaval Lace Division
Fab Print Division
Fab Recreational Division
Circular Knit Division
Fab Home Furnishings Division
Singer Retail Division
Fab International Ltd.
Consumer Products Division
Salisbury Manufacturing Corporation
Lace Designer Division

Gem Urethane Corp.
Building 16, DeGraff Street
Amsterdam, New York 12010

Mohican Mills, Inc.
P.O. Box 190
Route 3
Lincolnton, North Carolina 28092

Travis Knits, Inc.
Cherryville, North Carolina

A. S. Burg Company
Lamatronics Industries, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 W. 33rd Street
New York, New York 10001

Stock Exchange(s): American

Ticker Symbol: FIT

Sales & Earnings

	Net Sales	Net Income
1988	\$ 147,592,000	\$ 9,176,000
1987	137,684,000	12,439,000
1986	119,056,000	10,726,000
1985	107,348,000	8,683,000
1984*	114,897,000	9,753,000
	No. of Com. Shares ‡	Earn. per Share ‡
1988	3,504,284	\$ 2.62
1987	3,625,993	3.43
1986	3,632,037	2.95
1985	3,632,037	2.39
1984*	3,823,937	2.55

* 53 weeks.

‡ Based on the average number of shares of common stock and common stock equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 0.70	—	—
1987	0.60	—	—
1986	0.60	—	—
1985	0.30	—	—
1984	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 91,225,000	\$ 26.62
1987	87,228,000	24.70
1986	79,408,000	21.86
1985	70,681,000	19.51
1984	63,994,000	16.74

Income Account*

Year ended	12/3/88	11/28/87
Net sales	\$ 147,592,000	\$ 137,684,000
Cost of sales	122,835,000	112,544,000
Expenses	12,495,000	10,769,000
Dividend & interest income	(1,979,000)	(2,064,000)
Interest expense	58,000	145,000
Real. loss on sale of secur.	49,000	38,000
Adj. for leveraged leases	40,000	62,000
Unreal. loss on secur.	318,000	14,000
Income bef. taxes	\$ 13,776,000	\$ 16,176,000
Income taxes	4,600,000	5,537,000
Cum. effect of acctng. change	—	(1,800,000)
Net Income	\$ 9,176,000	\$ 12,439,000

* Included in Costs and Expenses, Depreciation and Amortization: \$4,593,000 in 1988 and \$3,963,000 in 1987.

Assets

As of	12/3/88	11/28/87
Cash & short-term invest.	\$ 9,527,000	\$ 12,522,000
Marketable secur.	23,257,000	20,743,000
Accts. receiv., net	28,558,000	25,556,000
*Inventories	23,798,000	23,708,000
Deferred income taxes	—	675,000
Other assets	1,170,000	1,514,000
Current Assets	\$ 86,310,000	\$ 84,718,000
Investments	1,850,000	2,967,000
#Fixed assets	29,258,000	30,410,000
Other assets	846,000	978,000
Total Assets	\$ 118,264,000	\$ 119,073,000

Liabilities

Accts. payable	\$ 8,362,000	\$ 10,866,000
Corp. inc. taxes	1,142,000	668,000
Accrued payroll	3,933,000	3,605,000
Deferred compensation	—	2,278,000
Dividend payable	2,399,000	2,119,000
Other curr. liabilities	236,000	297,000
Deferred inc. taxes	616,000	—
Curr. Liabilities	\$ 16,688,000	\$ 19,833,000
Long-term debt	902,000	927,000
Deferred inc. taxes	9,405,000	10,539,000
Other liabilities	44,000	546,000
+Common stock	765,000	765,000
Retained earnings	98,612,000	91,835,000
Treasury stock	(8,152,000)	(5,372,000)
Total Liabilities & Shareholders' Equity	\$ 118,264,000	\$ 119,073,000

* At lower of cost (LIFO and FIFO) or market.
Less accumulated depreciation.
+ \$0.20 par value.

Statistical Summary

%Income bef. Taxes	9.33	11.75
%Sales	6.22	7.73
%Net Income to Sales	10.06	14.26
%Sales to Inventories	6.23	5.81
Debt to Equity	0.01	0.01
Working Capital	\$ 69,622,000	\$ 64,885,000
Current Ratio	5.17	4.27
Shareholders' Equity	\$ 91,225,000	\$ 87,228,000

Fairfield-Noble Corporation

1410 Broadway
New York, New York 10018
(212) 354-0058

Officers: Hy Rabin, chairman & president; Clarence Scaduto, vice president.

Directors: Hy Rabin, chairman; William L. Weiss, Clarence Scaduto.

Business Activities: Manufactures, imports and markets women's and girls' outfits, ensembles, jackets, skirts, pants, blouses, dresses, sweaters, coordinates and separates.

Transfer Agent(s):

Mellon Securities Trust Company
c/o Mellon Securities Transfer Services
Fort Lee Executive Park
One Executive Drive
Fort Lee, New Jersey 07024

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FARF (NASDAQ)

Sales & Earnings

	Net Sales	Net Income †
1988	\$ 14,990,000	\$ 538,000
1987	12,951,000	1,723,000
1986	9,740,000	2,187,000
1985	—	(817,000)
1984	—	127,000

	No. of Com. Shares ‡	Earn per Share † ‡
1988	2,308,839	\$ 0.23
1987	2,303,422	0.75
1986	2,288,422	0.96
1985	2,225,089	—
1984	2,143,422	0.06

† Including extraordinary gains of \$588,000 (\$0.25 per share) in 1988, \$885,000 (\$0.39 per share) in 1987 and \$1,152,000 (\$0.51 per share) in 1986.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 4,869,000	\$ 2.11
1987	4,311,000	1.87
1986	2,578,000	1.13
1985	361,000	0.16
1984	1,032,000	0.48

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30	1988	1987
Revenues:		
Net sales	\$ 14,990,000	\$ 12,951,000
Other income	65,000	83,000
Total income	\$ 15,055,000	\$ 13,034,000
Cost of sales	9,167,000	8,212,000
Expenses	4,684,000	2,782,000
Rent expense	560,000	169,000
Interest expense	91,000	135,000
Compensation costs	10,000	10,000
Income before taxes	\$ 543,000	\$ 1,726,000
Income taxes	593,000	888,000
Net Income (Loss)	\$ (50,000)	\$ 838,000
Extraord. gain	588,000	885,000
Net Income (Loss) & extraord. gain	\$ 538,000	\$ 1,723,000

* Included in Costs and Expenses, Depreciation and Amortization: \$23,000 in 1988 and \$6,000 in 1987.

Assets

As of June 30	1988	1987
Cash	\$ 40,000	\$ 176,000
Due from factor	3,713,000	2,516,000
Inventories	7,929,000	2,586,000
Due from rel. parties	155,000	1,401,000
Prepaid lic. fees	1,320,000	—
Prepaid expenses	1,009,000	281,000
Current Assets	\$ 14,166,000	\$ 6,960,000
#Fixed assets	1,016,000	38,000
Other assets	1,000	1,000
Total Assets	\$ 15,183,000	\$ 6,999,000

Liabilities

Notes payable	\$ 4,810,000	\$ 1,375,000
Accts. payable, accruals & other	4,503,000	930,000
Due to rel. parties	1,000	383,000
Cur. Liabilities	\$ 9,314,000	\$ 2,688,000
Note payable	1,000,000	—
+Common stock	263,000	262,000
Add. paid-in capital	13,821,000	13,812,000
Retained earnings (deficit)	(7,895,000)	(8,433,000)
Deferred unearned comp.	(20,000)	(30,000)
Treasury stock	(1,300,000)	(1,300,000)
Total Liabilities & Shareholders' Equity	\$ 15,183,000	\$ 6,999,000

* At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ \$0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.62	13.33
%Net Income to Sales	—	6.47
%Net Income to Equity	—	19.44
Sales to Inventories	1.89	5.01
Debt to Equity	1.19	0.32
Working Capital	\$ 4,852,000	\$ 4,272,000
Current Ratio	1.52	2.59
Shareholders' Equity	\$ 4,869,000	\$ 4,311,000

Subsidiaries:

Farah Manufacturing Australia Pty. Limited
715-721 Elizabeth Street
Waterloo NSW 2017, Australia

Farah (Far East) Limited
COW Building, 16th Floor
388 Castle Peak Road
Tsuen Wan, N.T., Hong Kong

Farah Japan Limited
No. 2 Mochizuko Bldg.
6-16-Chome, Shibaura
Minato-Ku, Tokyo 108, Japan

Farah Manufacturing (U.K.) Limited
Unit 2a Gatwick Gate Estate
Charlwood Road, Lowfield Heath
Crawley Sussex RH11 0JS, England

Farah (Exports) Ireland Limited
Ashe Road, Shantalla
Galway, Ireland

Value Slacks, Inc.
8889 Gateway West
El Paso, Texas 79925

Generra Sportswear Company, Inc.
18 West Mercer
Seattle, Washington 98119

Designs and markets young men's, women's, boys' and girls' apparel, including pants, jackets, sweaters, shirts, dresses, and through a licensee, shoes.

Radco Sportswear, Inc.
RCM Industries, Inc.
Roberto Industries
Dimmit Industries

Transfer Agent(s):

MBank, N.A.
Main at Ervay
P.O. Box 5415
Dallas, Texas 75222

Stock Exchange(s): New York, Pacific

Ticker Symbol: FRA

Sales & Earnings

	Net Sales	Net Income †
1988	\$ 339,188,000	\$ (2,805,000)
1987	327,349,000	(1,218,000)
1986	366,158,000	4,162,000
1985	322,350,000	17,919,000
1984	250,772,000	15,568,000

	No. of Com. Shares	Earn. per Share † +
1988	5,906,162	\$ —
1987	5,906,162	—
1986	5,886,180	0.70
1985	5,849,134	3.04
1984	5,797,769	2.51

(Loss)

† Including extraordinary credit of \$7,440,000 (\$1.26 per share) in 1985.

+ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 74,904,000	\$ 12.03
1987	73,762,000	12.49
1986	71,871,000	12.21
1985	71,711,000	12.26
1984	56,641,000	9.77

Farah, Inc.

8889 Gateway West
El Paso, Texas 79925
(915) 593-4444

Mailing address:
P.O. Box 9519
El Paso, Texas 79985

Officers: William F. Farah, chairman of the board, president & chief exec. officer; Christopher L. Caramero, sr. v.p. finance & chief financial officer; Jack R. Green, v.p. & corp. secretary; Rebecca M. Cuellar, asst. secretary; James C. Swaim, treasurer; Richard C. Allender, president & chief exec. officer-Farah U.S.A., president-Farah International; Steven M. Miska, chairman & chief exec. officer-Generra; Daniel F. Prentice, president & chief operating officer-Generra.

Directors: William F. Farah, H. Tati Santiesteban, Charles C. Wood, Sylvan Landau, Hafeez Farah, Daniel F. Prentice, Mel L. Bacharach, Richard C. Allender, Christopher L. Caramero, Alan R. Kahn.

Business Activities: Engaged in the production and marketing of blazers, shirts, jackets, vests, dress and casual pants, and jeans, primarily for the men's, young men's, and boys' markets.

Trademarks and/or Brand Names: FARAH, Farah Clothing Company, Savanne, John Henry, N.P.W., E. Joven, WFF Designer, Generra Collections.

Plant Locations: El Paso, Texas; Chihuahua & Torreon, Mexico; Kowloon, Hong Kong; Kilitimagh & Galway, Ireland; Costa Rica.

Income Account *
(000's)

Year ended Oct. 31	1988	1987
Net sales	\$ 339,188	\$ 327,349
Cost of sales	252,835	236,027
Expenses	86,618	85,179
Interest expense	8,021	6,316
Interest income	(1,104)	(695)
For. curr. exch. gains	(644)	(201)
Gain on sale of assets	(951)	(63)
U.S. Customs Serv. settle.	—	2,277
Other expense (income)	156	(591)
Loss before taxes	\$ (5,743)	\$ (900)
Income taxes (credit)	(1,676)	318
Cum. effect of acct. change	(1,262)	—
Net Loss	\$ (2,805)	\$ (1,218)

* Included in Costs and Expenses, Depreciation and Amortization: \$7,752,000 in 1988 and \$8,477,000 in 1987.

Assets
(000's)

As of Oct. 31	1988	1987
Cash	\$ 15,240	\$ 14,165
Accts. receiv., net	64,282	61,805
*Inventories	80,206	65,022
Other curr. assets	6,455	12,069
Current Assets	\$ 166,183	\$ 153,061
Note receivable	7,306	—
± Fixed assets	28,305	28,743
Leases & contracts	12,965	16,821
Trademarks	8,054	8,337
Other assets & intangibles	10,213	6,997
Total Assets	\$ 232,726	\$ 213,959

Liabilities
(000's)

Short-term debt	\$ 39,042	\$ 46,570
Accts. payable	25,786	25,223
Acquisition payments	5,005	6,422
Accrued compensation	5,157	6,191
Other accruals	12,573	8,517
Other curr. liab.	2,655	125
Curr. Liabilities	\$ 90,218	\$ 93,048
Long-term debt	44,873	35,958
Def. fed. inc. taxes	339	9,799
Other liabilities	1,187	1,392
Def. gain on sale of bldg.	21,205	—
+ Common stock	27,111	27,096
Add. paid-in capital	20,101	24,071
Foreign currency adjustment	1,483	973
Retained earnings	38,949	41,754
Treasury stock	(12,740)	(20,132)
Total Liabilities & Shareholders' Equity	\$ 232,726	\$ 213,959

* At lower of cost (FIFO) or market.
± Less accumulated depreciation.
+ \$4 par value.

Statistical Summary

Sales to Inventories	4.23	5.03
Debt to Equity	1.12	1.12
Working Capital	\$ 73,965,000	\$ 60,013,000
Current Ratio	1.84	1.64
Shareholders' Equity	\$ 74,904,000	\$ 73,762,000

Fateh Textile Mills Limited

Hali Road
P.O. Box 69
Hyderabad-Sind, Pakistan

Directors: Jan Alam, chairman; Inayat Ullah, managing director; Roshan Ali, Imran Azim, Abdul Waheed, Rauf Alam, i. I. Khatri.

Secretary: Maqsood Ahmed Khan.

Business Activities: The Company is engaged in manufacturing, bleaching, dyeing, printing and finishing textiles and selling them locally as well as through export.

Subsidiaries:

Fateh International Ltd.
Hong Kong

Fateh International GmbH (98%-owned)
Frankfurt, West Germany

Fateh International SARL
France

Fateh International Ltd.
London, England

Fateh International Inc.
New York, New York

Stock Exchange(s): Karachi, Pakistan.

Sales & Earnings

	Net Sales	Net Income †
1987	Rs 508,950,000	Rs 28,480,000
1986	429,470,000	23,570,000
1985	427,670,000	18,630,000
1984	421,120,000	11,060,000
1983	389,520,000	14,150,000

	No. of Com. Shares	Earn. per Share †
1987	1,250,000	Rs 22.78
1986	1,250,000	18.86

Rs - rupees.
† Before taxes.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	Rs 4.50	—	—
1986	4.00	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	Rs 80,688,815	Rs 64.55
1986	64,535,932	51.63

Income Account *

Year ended Sept. 30	1987	1986
Net sales	Rs 508,953,364	Rs 429,466,341
Cost of sales	453,203,878	379,002,546
Other income	(1,374,897)	(1,266,003)
Expenses	18,710,534	16,797,383
Directors' remuneration	720,000	252,000
Directors' fees	3,400	3,370
Directors' housing allow.	360,000	—
Interest expense	7,699,621	10,037,771
Profit-sharing plan	1,497,505	1,340,447
Gain on sale of fixed assets	(319,264)	(189,656)
Unclaimed dividend	(25,296)	—
Income before taxes	Rs 28,477,883	Rs 23,568,483

Unappropriated profit	(14,932)	(446,449)
Income taxes	3,700,000	9,000,000
Dividends	5,625,000	5,000,000
Deferred taxes	3,000,000	—
General reserve	16,000,000	10,000,000

Net Income Rs 167,815 Rs 14,932

* Included in Costs and Expenses, Depreciation: Rs10,791,803 in 1987 and Rs8,809,195 in 1986.

Assets

As of Sept. 30	1987	1986
Cash	Rs 4,860,427	Rs 7,818,844
Accts. receiv., net	27,787,043	8,891,407
Due by assoc. undertakings	695,286	7,583,756
Advances	10,756,141	10,806,626
Advance inc. taxes	10,643,417	6,582,002
Stores & spares	11,897,955	7,931,603
*Stocks	109,069,028	66,940,376
Current Assets	Rs 175,709,297	Rs 116,554,614
Investments	9,695,261	9,664,072
± Fixed assets	91,477,748	76,473,546
Work in progress	19,581,393	—
Total Assets	Rs 296,463,699	Rs 202,692,232

Liabilities

Short-term debt	Rs 39,762,725	Rs 433,438
Long-term debt, curr.	3,851,891	3,419,973
Due to assoc. undertakings	103,408,877	76,939,032
Accts. payable	4,662,863	5,189,620
Adv. payments	928,992	461,806
Accruals	7,885,885	10,066,008
Profit-sharing	1,497,505	1,240,447
Income taxes	15,532,729	18,837,450
Proposed dividend	3,125,000	2,500,000
Curr. Liabilities	Rs 180,656,467	Rs 119,087,774
Long-term debt	27,118,417	14,068,526
Deferred inc. taxes	8,000,000	5,000,000
+ Common stock	12,500,000	12,500,000
General reserve	62,400,000	46,400,000
Deferred income	621,000	621,000
Dividend equal. fund	5,000,000	5,000,000
Unappropriated profit	167,815	14,932
Total Liabilities & Shareholders' Equity	Rs 296,463,699	Rs 202,692,232

* At lower of cost or net realizable market.
± Less accumulated depreciation.
+ Rs10 par value.

Statistical Summary

%Income bef. Taxes	5.60	5.49
to Sales	4.67	6.42
Sales to Inventories	0.83	0.22
Debt to Equity	Rs 80,688,815	Rs 64,535,932

Feltex International Limited

(49.87% owned by Equitcorp Industries Limited)

Feltex Centre
145 Symonds Street
Auckland, New Zealand
(09) 778-900

Mailing address:
P.O. Box 4278
Auckland, New Zealand

Officers: C. M. Eustace, general mgr.-Australian carpets; R. M. Tassara, general mgr.-services; C. P. Glasston, president-Alsteel Inc.; A. St. J. Mitchell, general mgr.-Smith & Brown; B. G. Taylor, general mgr.-Commercial Interiors Group; R. A. Baldwin, general mgr.-Wool Group; B. C. Turley, general mgr.-Carpets Group; J. H. Burridge, general mgr.-Feltex Modular Carpets; C. B. Young, general

mgr.-Plastics & Timber Group; L. J. McGillivray, general mgr.-development; J. C. Lindsay, managing director; N. J. Vautier, secretary; R. A. Pearson, general mgr.-finance; B. Wright, general mgr.-international.

Directors: P. J. D. Stanes, chairman; L. W. Brown, deputy chairman; J. H. Ingram, I. L. Gunthorp, W. B. Capp, P. J. D. Stanes, J. C. Lindsay.

Business Activities: The Company's New Zealand Wool Group manufactures and markets worsted machine knitting yarns, worsted and woollen spun hand knitting yarns, all wool, cotton, and other mixtures, semi-worsted, wrap spun and woollen spun carpet yarns, woollen mattress underlays, domestic and industrial elastics, tapes and webbing, and buys and scours wool.

The New Zealand Carpets Group manufactures and markets axminster, wilton and tufted carpets, carpet yarns and rugs; moulded automotive carpet, carpet tiles, underlays and synthetic padding; outdoor carpet and sport surfaces; rubber underlay, rubber floor tiles, moulded and extruded industrial and agricultural componentry.

Vita New Zealand Limited, a subsidiary, manufactures and markets products made from foam, fiber and styrene for both industrial and consumer markets.

The Company's Australia Modular Carpets Group manufactures and markets modular carpet squares using a unique system of computer-controlled dye injection.

The Company's New Zealand Retail Group operates 49 Smith & Brown stores in New Zealand. These stores sell furniture, home appliances and furnishings at retail.

Other Company groups manufacture and market commercial and systems furniture in Australia, the U.S.A. and Canada, office and retail furniture, and a range of plastic products.

Trademarks and/or Brand Names: Feltex, Feltex Wools, Feltex Yarns, Ravelations, Thorobred Yarns, Slumberwool, Vitafoam, Vitafibre, Vitastylene, Vitality, Husky, Heritage, Stevens Bremner, Kensington, Fibrellok, Tasman Automotive, Champion, Omnisport, Superred, Freudenberg, Noralen, Reid, Feltex Modular Carpets, Corporate Square Nova.

Plant Locations: Auckland, Foxton, Lower Hutt, Christchurch, Kakeriki, Dannevirke, Feilding, Wainuiomata, Hamilton, New Zealand; Sydney, Australia.

Operating Units:

Wool Group

Feltex Wool Group Limited
Corner of Khyber Pass & Mountain Roads
P.O. Box 4524
Auckland, New Zealand
(09) 795-605

Feltex Wools
Kakeriki, New Zealand

New Zealand Wool Spinners Limited
Dannevirke, New Zealand

Feltex Yarns
Wainuiomata, Wellington, New Zealand

Thorobred Yarns
Auckland, New Zealand

Feltex Industrial Textiles
Auckland, New Zealand

Slumberwool
Auckland, New Zealand; Melbourne, Victoria, Australia,
San Francisco, CA, USA

Carpets Group

Feltex Furnishings of New Zealand Limited
Corner of Khyber Pass & Mountain Roads
P.O. Box 2884
Auckland, New Zealand
(09) 795-522

Feltex Carpets Pty. Limited
Melbourne, Australia

Feltex Contract Carpets
Auckland, New Zealand

Feltex Woven Carpets
Christchurch, New Zealand

Colortron Carpets
Auckland, New Zealand

Feltex Carpet Sales
Auckland, New Zealand

Stevens Bremner Sales
Auckland, New Zealand

Fibrellok Industries
Lower Hutt & Auckland, New Zealand

Quantum Carpet Systems Limited
Auckland, New Zealand

Modular Carpets Group

Feltex Modular Carpets Pty. Limited
171 Briens Road
Northmead 2152
Sydney, NSW, Australia
(00612)6835600

Sales Offices:
Victoria, Australia
Auckland, New Zealand
Wellington, New Zealand

New Zealand Retail Group

Smith & Brown
Auckland, New Zealand

Associated Company:

Vita New Zealand Limited
Auckland, New Zealand
(09) 885-169

Subsidiaries (U.S.A.):

Allsteel Inc.
Allsteel Drive
Aurora, Illinois 60507
(312) 859-2600

Manufactures and markets commercial and systems furniture throughout the U.S. and Canada.

Super Sky International Inc.
10301 North Enterprise Drive
Mequon, Wisconsin 53092
(414) 242-2000

Designs, fabricates and installs architectural glass roofing systems in North America, Europe and Asia, primarily for commercial applications.

Sales & Earnings x

	Net Sales	Net Income †
1987	\$ 661,596,000	\$ 74,737,000
1986	623,176,000	47,318,000
1985	574,035,000	28,957,000
1984	487,716,000	19,843,000
1983	478,591,000	18,684,000
	No. of Com. Shares #	Earn. per Share ‡
1987	148,471,000	\$ 0.52
1986	129,292,000	0.48
1985	N.A.	0.37
1984	N.A.	0.24
1983	N.A.	0.22

N.A. - Not Available.

x Figures are stated in New Zealand dollars.

† Before extraordinary items.

Adjusted to reflect stock splits.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	\$ 14.0	—	—
1986	14.0	—	—
1985	12.5	—	6-for-5
1984	12.5	—	—
1983	11.5	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	\$ 514,901,000	\$ 3.47
1986	353,731,000	2.74
1985	213,738,000	—
1984	181,619,000	—
1983	167,884,000	—

‡ Adjusted to reflect stock splits.

Income Account * (000's)

Year ended June 30	1987	1986
Net sales	\$ 661,596	\$ 623,176
Cost of sales & expenses	589,795	580,595
Income before taxes	\$ 71,801	\$ 42,581
Tax credit	(3,097)	(4,389)
Minority interest	161	(348)
Net Income	\$ 74,737	\$ 47,318
Extraord. items	(411)	2,354
Unreal. increase in value of assoc. co.	—	7,223
Net Income & extraord. gain	\$ 74,326	\$ 56,895

* Included in Costs and Expenses, Depreciation and Amortization: \$13,078,000 in 1987 and \$10,495,000 in 1986.

Assets (000's)

As of June 30	1987	1986
Cash	\$ 8,941	\$ 14,838
Accts. receiv., net	158,926	119,011
Refundable taxes	24,612	19,957
* Inventories	181,117	154,520
Current Assets	\$ 373,596	\$ 308,326
Investments, advances & term receiv.	412,162	241,161
Future tax benefit	4,606	6,464
# Fixed assets	162,754	145,050
Intangibles	111,080	—
Total Assets	\$ 1,064,198	\$ 701,001

Liabilities (000's)

Bank overdrafts	\$ 39,661	\$ 41,410
Accts. payable	150,817	139,948
Prov. for dividend	1,934	11,756
Curr. Liabilities	\$ 192,416	\$ 193,114

Feltex International Limited

Subord. debt	43,912	—
Term liabilities	310,901	152,499
Minority interest	2,068	1,637
+Specified preference stock	9,424	10,528
++Cumulative preference stock	149	149
+++Common stock	74,024	64,646
Capital reserves	333,673	212,120
Revenue reserves	97,631	66,288

Total Liabilities & Shareholders' Equity	\$ 1,064,198	\$ 701,001
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* At lower of cost (weighted average or FIFO) or net realizable value.
 # Less accumulated depreciation.
 + \$1.25 par value; 16% redeemable cumulative.
 ++ \$1.00 par value; 5% cumulative.
 +++ \$0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.85	6.83
%Net Income to Sales	11.30	7.59
%Net Income to Equity	14.51	13.38
Sales to Inventories	3.65	4.03
Debt to Equity	0.09	—
Working Capital	\$ 181,180,000	\$ 115,212,000
Current Ratio	1.94	1.60
Shareholders' Equity	\$ 514,901,000	\$ 353,731,000

Fieldcrest Cannon Inc.

326 East Stadium Drive
 Eden, North Carolina 27288
 (919) 627-3000

Office of Chief Executive:
 1271 Avenue of the Americas
 New York, New York 10020
 (212) 536-1200

Officers: Joseph B. Ely, II, chairman of the board & chief exec. officer; C. Edward Midgley, vice chairman; Charles G. Horn, president; W. Randle Mitchell, Jr., exec. v.p. & chief financial officer; John J. Riley, sr. v.p.; K. William Fraser, Jr., sr. v.p.; W. Giles Hunnings, Jr., v.p.; Chris L. Kametiches, v.p.; Osborne L. Raines, v.p.; William O. Stone, v.p.; Ralph R. McGill, v.p.; M. Kenneth Doss, v.p. & secretary; Robert B. Dale, v.p.; Robert E. Dellinger, v.p.; Lawrence L. Mann, treasurer; Thomas R. Staab, controller.

Directors: C. R. Charbonnier, F. C. Dumaine, Joseph B. Ely, II*, Albert B. Hunt, John Rudel, Henry Wheeler, Noah T. Herndon, James M. Fitzgibbons*, John C. Harned*, C. Edward Midgley*, Charles G. Horn*.

* Member of the Executive Committee

Business Activities: Manufactures and markets a complete range of bed and bath products under the "Fieldcrest," "St. Mary's," "Cannon," "Royal Family," and "Monticello" brand names. Also manufactures and markets high-quality woven and tufted carpets and rugs. In addition, the Company also performs commission finishing services and manufactures carded and combed yarns of cotton, blends of polyester/cotton, and synthetic fibers, for other textile companies.

Trademarks and/or Brand Names: Fieldcrest, St. Mary's, Karastan, Cannon, Royal Family, Monticello, Bigelow.

Plants, Divisions & Subsidiaries:

Fieldcrest Division
 60 West 40th Street
 New York, New York 10018

Cannon Division
 1271 Avenue of the Americas
 New York, New York 10020

Carpet and Rug Division
 725 North Regional Road
 Greensboro, North Carolina 27425

North Carolina Finishing
 104 West 40th Street
 New York, New York

Fieldcrest & Cannon
 Eden & Kannapolis, North Carolina

Swift Spinning Mills
 Columbus, Georgia

Automatic Blankets
 Smithfield, North Carolina

Bath Rugs
 Scottsboro, Alabama

Bedspreads
 Eden & Kannapolis, North Carolina

Bedding Accessories
 Eden & Kannapolis, North Carolina

Blankets
 Eden, North Carolina

Sheets
 Salisbury, Kannapolis, Rockwell, Concord, China Grove, North Carolina

Towels
 Fieldale, Virginia
 Columbus, Georgia
 Phenix City, Alabama
 Concord, North Carolina
 York, South Carolina

Carpet and Rugs
 Lysterly & Summerville, Georgia
 Landrum, South Carolina
 Eden & Laurel Hill, North Carolina
 Carpet and Rug Yarns
 Greenville & Laurel Hill, North Carolina
 Belton & Calhoun, South Carolina

Delaware Valley Wool Scouring Co.
 Philadelphia, Pennsylvania

North Carolina Finishing
 Salisbury, North Carolina

Comforters
 Eden & Kannapolis, North Carolina

Kitchen Products
 Kannapolis, North Carolina

Bigelow-Sanford, Inc.
 Manufactures woven and tufted broadloom carpets for residential and commercial use.

Fieldcrest Mills International, Inc.
 Eden, North Carolina 27288

St. Mary's, Inc.
 Dover, Delaware

Encee, Inc.
 Dover, Delaware

Cannon Mills International Sales Corp.
 Kannapolis, North Carolina

Cannon Mills International, Ltd.
 Kannapolis, North Carolina

Transfer Agent(s):

Wachovia Bank & Trust Company
 Winston-Salem, North Carolina 27150

Stock Exchange(s): New York

Ticker Symbol: FLD

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1988	\$ 1,338,215	\$ 11,276
1987	1,399,763	(3,658)
1986	1,083,236	17,389
1985	586,092	13,062
1984	572,821	4,143

	No. of Com. Shares *	Earn. per Share #
1988	10,266,909	\$ 1.10
1987	10,216,153	—
1986	10,216,153	2.11
1985	7,801,492	1.68
1983	7,721,954	1.95

(Loss)
 + Based on the number of common shares and Class B common shares outstanding adjusted to reflect stock split.
 # Based on the weighted average number of common shares and Class B common shares outstanding adjusted to reflect stock split.

Revenues by Line of Business (000's)

	1988	1987
Bed & bath products	\$ 913,192	\$ 949,472
Rugs & carpets	371,108	402,096
Other	33,915	46,195
Total	\$ 1,338,215	\$ 1,399,763

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1988	\$ 0.68	—	—
1987	0.68	—	—
1986	0.57	—	2-for-1
1985	0.63	—	—
1984	1.00	—	—

Adjusted to reflect stock split

Common Stock Equity

	Total Equity (000's)	Equity Per Share #
1988	\$ 264,161	\$ 25.73
1987	259,090	25.36
1986	269,389	26.37
1985	181,163	23.22
1984	172,096	22.25

Adjusted to reflect stock split.

Income Account* (000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 1,338,215	\$ 1,399,763
Cost of sales	1,072,447	1,158,293
Expenses	203,481	211,142
Oper. profit	\$ 62,287	\$ 30,328
Interest expense	40,720	38,395
Other expense	602	526
Income (loss) bef. taxes	\$ 20,965	\$ (8,592)
Income taxes (credit)	9,689	(4,935)
Net Income (Loss)	\$ 11,276	\$ (3,658)

* Included in Costs and Expenses, Depreciation and Amortization: \$32,567,000 in 1988 and \$31,896,000 in 1987.

Assets (000's)

As of Dec. 31	1988	1987
Cash	\$ 8,578	\$ 11,182
Accts. receiv., net	211,039	238,930
*Inventories	225,786	262,943
Prepaid inc. taxes	11,617	11,821
Prepaid expenses & other assets	1,814	4,074
Current Assets	\$ 458,834	\$ 528,950

# Fixed assets	333,343	334,669
Defer. charges & other assets	19,728	17,961
Total Assets	\$ 811,905	\$ 881,580

Liabilities (000's)		
Long-term debt, curr.	\$ 3,551	\$ 2,341
Accts. payable	66,874	64,142
Income taxes	1,630	—
Accruals	80,867	91,143
Curr. Liabilities	\$ 152,922	\$ 157,626
Long-term debt	337,855	413,359
Deferred inc. taxes	42,779	35,430
Other liabilities	14,188	16,075
+Common stock	6,597	6,509
+Class B Common stock	3,668	3,707
Add. paid-in capital	108,860	108,437
Retained earnings	145,036	140,437
Total Liabilities & Shareholders' Equity	\$ 811,905	\$ 881,580

* At lower of cost (primarily LIFO) or market
 ‡ Less accumulated depreciation.
 † \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.57	—
%Net Income to Sales	0.84	—
%Net Income to Equity	4.27	—
Sales to Inventories	5.93	5.32
Debt to Equity	1.29	1.60
Working Capital	\$ 305,912,000	\$ 371,324,000
Current Ratio	3.00	3.36
Shareholders' Equity	\$ 264,161,000	\$ 259,090,000

Figgie International Inc.

4420 Sherwin Road
 Willoughby, Ohio 44094
 (216) 953-2700

Officers: Harry E. Figgie, Jr., chairman of the board and chief executive officer; James S. Anderson, sr. v.p.-human resources; John M. Fitzpatrick, v.p.-gov't. relations; Charles B. Miner, group v.p.; Mike Trbovich, group v.p.; Vincent A. Chiarucci, group v.p.; Patrick E. Clarke, group v.p.; Joseph J. Skadra, v.p. & controller; L.A. Harthun, sr. v.p.-international, general counsel & secretary; Charles C. Rieger, Jr., group v.p.; Woodson S. Carlisle, Jr., v.p. & treasurer; Mary C. Cleary, v.p. & asst. to chairman; Richard A. Foster, v.p.

Directors: Harry E. Figgie, Jr., chairman; Dale S. Coenen, Ewing T. Boles, Alfred V. Gangnes, Walter M. Vannoy, Robert A. Weaver, Jr., Gerald K. Rugger, Russel W. McFall, Harrison Nesbit, II, Harold B. Scott, Harry E. Figgie, III, John S. Lanahan, F. Rush McKnight, C. B. Robertson, III, A. A. Sommer, Jr.

Business Activities: Comprised of over 40 principal divisions and subsidiaries, Figgie's business can be grouped into five areas: consumer products; fire protection/safety/security; services; technical products; and machinery & allied products.

Textile Trademarks and/or Brand Names: Adirondack, Chimo, Fred Perry, Rawlings, Sher-Wood.

Textile Plant Location: Dolgeville, New York.

Divisions and Subsidiaries:

Hartman Electrical Manufacturing
 175 North Diamond Street
 Mansfield, Ohio 44902
 (419) 524-1411

Electrical power switching and solid state controls. Converters, relays and protective devices.

Hartman Systems
 360 Wolf Hill Road
 Huntington Station
 L.I., New York 11746
 (516) 427-7500

Develops and produces militarized cathode ray tube displays for airborne, shipboard, submarine and ground-based applications; weapons control systems for a wide range of military aircraft; and telemetry products for data reception.

Interstate Electronics Corporation
 1001 East Ball Road
 Anaheim, California 92803
 (714) 758-0500

Voice data entry computer terminals, Plasma display terminals, Military command and control display systems; Signal processing systems; Off-shore oil platform data systems; Environmental surveys and services; Instrumentation and missile tracking systems.

Interstate Voice Products
 1849 W. Sequoia Avenue
 Orange, California 92668
 (714) 937-9010

Speech recognition and speech response products, including chips, boards and complete turnkey systems for commercial, consumer and military markets.

Figgie Licensing Corporation
 Richmond, Virginia 23295
 (804) 264-5660

Worldwide trademark licensing of consumer products, principally Fred Perry and Rawlings Sportswear, activewear and hard goods.

Rawlings Sporting Goods
 2300 Delmar Boulevard
 St. Louis, Missouri 63126
 (314) 349-3500

Full line of sports equipment for baseball, football, basketball, soccer, boxing, badminton, golf, hockey, tennis and wrestling. Uniforms, jackets and shoes.

Protective Equipment Supply Co., Inc.
 Buffalo, New York 14217
 (716) 814-4700

Distributes safety, fire fighting equipment and clothing, and related products.

Holland Safety Supply Co.
 Lexington, North Carolina 27293
 (704) 956-2131

Distributes hand, eye, hearing, head and respiratory protection products, and medical supplies.

SpaceGuard Products
 Indianapolis, Indiana 46220
 (317) 255-5427

Manufactures woven wire partitions for use in securing areas such as tool cribs and stockrooms for industrial use.

Fred Perry Sportswear (U.K.) Ltd.
 Bridport Road
 London N18 1SN, England

Designer, manufacturer and worldwide marketer of high fashion tennis clothing and sports apparel.

Allied Industrial Distributors
 Los Angeles, California 90220
 (213) 603-8788

Distributes safety equipment and industrial hygiene products.

ASCOA Fire Systems
 Cleveland, Ohio 44147
 (216) 526-8980

CASI-RUSCO
 Boca Raton, Florida 33487
 (407) 997-9660

Manufactures and markets computer-based access control equipment and monitoring systems.

Interstate Engineering
 522 East Vermont Avenue
 Anaheim, California 92805
 (714) 778-5700

Residential smoke detectors and fire alarms. Compact home vacuum cleaners. Wireless IEC Security System. Aluminum and zinc die castings.

Continental Container Systems
 West Chicago, Illinois 60185
 (312) 293-0330

Manufactures high-speed can closing machines for the food and beverage industries.

Thermometer Corporation of America
 Fletcher, North Carolina 28732
 (704) 684-5178

Thermometers, hydrometers, humidity and weather instruments. Tru-Temp and Taylor thermometers and cooking instruments.

Sherwood-Drolet Corp., Ltd.
 2745 Sherwood Blvd.
 Sherbrooke, Quebec J1K 1E1, Canada
 (514) 563-2202

Designs, manufactures and distributes Sher-Wood and Chimo hockey sticks, and Chimo clothing.

Figgie Consumer Products Licensing Division
 Glen Allen, Virginia 23060
 (804) 264-5735

Advance Security
 3330 Peachtree Road
 Atlanta, Georgia 30305
 (404) 231-1210

Security consultation. Uniformed security guards. Fire safety, security systems and equipment. Industrial and business investigative service. Large area protection.

"Automatic" Sprinkler Corp. of America
 P.O. Box 180
 Cleveland, Ohio 44147
 (216) 526-9900

Sprinkler systems, control valves, sprinkler heads, spray puzzles; "Rate-of-Rise" and electric detection systems; electronic control panels; alarms; hydraulically calculated and special hazards fire protection systems. Fabrication, inspection and maintenance services; Range Guard fire extinguishing systems.

Badger-Powhatan
 P.O. Box 7146
 Charlottesville, Virginia 22906
 (804) 973-4361

Portable water, carbon dioxide, and dry chemical fire extinguishers. Halon systems. Range hoods. "Blaze Guard" fire hose and couplings. Brass products for fire protection, industrial and municipal applications.

Scott Aviation
 225 Erie Street
 Lancaster, New York 14086
 (716) 683-5100

Oxygen and air breathing systems, light aircraft accessories. Gas masks and respiratory devices. Gas analyzers and alarms. Air pollution detection and control equipment. Safety and first aid equipment.

Snorkel-Economy
 P.O. Box 65 - Stockyards Station
 St. Joseph, Missouri 64505
 (913) 989-4481

Aerial type water delivery systems for fire-fighting apparatus, articulated and telescopic booms, extendable ladders and aerial platforms.

Consolidated Packaging Machinery
 11980 Waldon Ave.
 Alden, New York 14004
 (716) 937-3361

High-speed automatic capping equipment for bottles, cans and other containers; crumbers, cotton stuffers, scales; bagclosers; gravity paper bag fillers and closers.

Geo. J. Meyer Manufacturing
 Charleston, South Carolina 29445
 (803) 572-6640

Packaging and bottling equipment. Labeling machinery. Case palletizers. Bottle rinsing and inspection equipment.

Scott Huber Essick
 P.O. Box 10263
 Charleston, South Carolina 29445
 (803) 797-5300

Road-building and construction equipment, Huber motor grader, rollers and maintainers, Scott hydraulic cranes. Smith truck-mounted turbine and tilter concrete mixers.

Figgie International Inc.

Kersey/American LaFrance
600 Mountain Lane
Bluefield, Virginia 24605
(703) 326-1121

Battery-powered tractors, scoops, supply cars, coal cars, hydraulic self-unloading cars, battery chargers, batteries and motors for underground coal mining.

Logan Co.
P.O. Box 6107
Louisville, Kentucky 40206
(502) 587-1361

Conveyor equipment and material handling systems. Wire partitions and window guards, folding gates. Spiral stairs and ornamental ironwork. Automated package and parcel sorting systems.

Safeway Steel Products
6228 West State Street
Milwaukee, Wisconsin 53213
(414) 258-2700

Steel scaffolding and shoring systems. Portable bleachers. Powered mobile platforms and swing stages.

Figgie Hydraulic Products
1777 Morgantown Ave.
Fairmont, West Virginia 26554
(304) 366-4730

Hydraulic pumps, motors and parts; blowers, hydraulic valves, snow plow rams and precision machine products; custom gears for mining, constructions and hydraulic equipment.

Akron Packaging Machinery
Akron, Ohio 44313
(216) 923-0491

Case packers, uncasers, container dividers, combiners.

Stallman Gear
527 W. Rich Street
Columbus, Ohio 43215
(614) 224-3394

Manufacturer of gears, splined shafts and sprockets supplying the mining machinery, construction equipment, hydraulic gear pump and other machinery markets.

Other Services:

Waite Hill Holdings Inc.
Glen Allen, Virginia 23060
(804) 292-6667

Colony Insurance Company
Warwick, Rhode Island 02886
(401) 732-0890

Property/casualty underwriting.

Cardinal Casualty Company
Cleveland, Ohio 44130
(216) 826-0335

Property/casualty underwriting.

Waite Hill Services, Inc.
Glen Allen, Virginia 23060
(804) 261-7000

Insurance services.

Figgie Acceptance Corporation
Columbus, Ohio 43085
(614) 431-2300

Financing subsidiary.

Figgie Properties, Inc.
Glen Allen, Virginia 23060
(804) 264-5840

Real estate management and development.

Figgie Natural Resources
Glen Allen, Virginia 23060
(804) 264-5775

Oil and gas investments.

Figgie Leasing Corporation
Glen Allen, Virginia 23060
(804) 264-5667

Engaged in vehicle management and leasing services.

International Operations Group

Geo. J. Meyer (Australia) Pty. Ltd.
Logan-Fenemec Pty. Ltd.
Australia

Figgie do Brasil Industria e Comercio Ltda.

Mojonnier do Brasil Industria e Comercio de Equipamentos Ltda.
Brazil

CASI-RUSCO Europe
France

Figgie International Sports, Ltd. S.A.
Haiti

Rawlings Japan Co., Ltd.
Japan

Geo. J. Meyer Mfg. Canada, Ltd.
Sherwood-Drolet Corp. Ltd.
Thermometer Corporation of Canada Ltd.
Adirondack-Sherwood, Inc.
"Automatic" Sprinkler of Canada, Ltd.
Carter Controls Canada Ltd.
Canada

Carter Controls GmbH
Logan Fenemec Transporttechnik GmbH
Germany

Geo. J. Meyer de Mexico S.A. de C.V.
Smith-Enack de Mexico, S.A. de C.V.
Greer-Mexico, S.A. de C.V.
Mojonnier de Mexico, S de R.L. de C.V.
Maquiladora TCA de Juarez, S.A. de C.V.
Mexico

"Automatic" Sprinkler Nederland B.V.
Netherlands

Wimbeldon Shirt Company Limited
Fred Perry & Paynes Ltd.
W. Payne & Company, Ltd.
Figgie (G.B.) Ltd.
Fred Perry Sportswear (UK) Ltd.
Logan Fenemec (UK) Ltd.
Fred Perry Sportswear Ltd.
Meyer Mojonnier Ltd.
Carter Controls (U.K.) Ltd.
Figgie Investment Trustee Ltd.
Figgie Pension Trustee Ltd.
United Kingdom

Logan Transporttechnik AB
Sweden

Figgie de Costa Rica, S.A.
Costa Rica

Figgie International (H.K.) Ltd.
Hong Kong

Alfa Costruzioni Meccaniche SpA
Omega SpA
Italy

Chemtronics Caribe, Inc.
Puerto Rico

Figgie Foreign Sales Corp.
Economy Engineering International Sales Corp.
U.S. Virgin Islands

Additional Subsidiaries:

Greer Hydraulics
City of Commerce, California 90040
(213) 725-0110

Hydraulic components and fluid power products.

Safety Engineering & Supply Co.
Birmingham, Alabama 35209
(205) 942-3631
Distributes safety equipment, including glasses, shoes, and Scott Aviation products.

Safeguard Industrial Corporation
Leesport, Pennsylvania 19533
(215) 926-5232
Distributes safety products, including footwear and clothing, for industry, and manufactures air belts.

Alfa Packaging Equipment
Mantova, Italy

Manufactures high-speed labeling equipment for food, pharmaceutical, alcohol, beverage, petroleum and cosmetic products.

S-P Manufacturing
Solon, Ohio 44139
(216) 248-6161

Manufactures chucks and other work-holding products, and pneumatic and hydraulic cylinders for industry.

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FIGIA and FIGI (NASDAQ)

Sales & Earnings

	Net Sales +	Net Income
1988	\$ 1,172,784,000	\$ 61,875,000
1987	1,022,692,000	49,340,000
1986	919,818,000	42,426,000
1985	803,412,000	29,238,000
1984	720,686,000	17,413,000

	No. of Com. Shares	Earn. per Share #
1988	7,430,003	\$ 9.03
1987	6,748,071	7.02
1986	7,077,401	6.31
1985	5,991,491	5.03
1984	5,560,481	3.00

+ Of continuing operations only.

Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business # (000's)

	1988	1987
Consumer	\$ 185,068	\$ 161,211
Fire Protection/Safety	372,313	310,761
Machinery & Products	339,006	257,613
Technical	263,866	279,348
Services	39,909	44,128
Total	\$ 1,200,162	\$ 1,053,061

Including insurance premiums and services, and finance income.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 2.16	—	—
1987	1.66	—	—
1986	1.49	—	—
1985	0.68	—	—
1984	0.68	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 365,770,000	\$ 49.23
1987	321,471,000	47.39
1986	292,591,000	41.34
1985	219,488,000	36.63

‡ After allowing for all preferred stock at their stated value.

Income Account * (000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 1,172,784	\$ 1,022,692
Other income	31,148	36,655
Total income	\$ 1,203,932	\$ 1,059,347

Cost of sales	885,914	766,391
Underwriting losses	3,941	15,984
Finance Co. exp.	14,103	12,446
Expenses	183,330	166,542
Interest expense	18,517	9,707
Income before taxes	\$ 98,127	\$ 88,277
Income taxes	36,252	38,937
Net Income	\$ 61,875	\$ 49,340

* Included in Costs and Expenses, Depreciation and Amortization: \$31,608,000 in 1988 and \$27,514,000 in 1987.

Assets (000's)		
As of Dec. 31	1988	1987
Cash	\$ 19,275	\$ 38,709
Marketable secur.	45,654	41,423
Accts. & notes receiv., net	237,541	200,425
Finance Co. receiv., net	128,166	127,244
*Inventories	188,666	149,397
Prepaid expenses	12,186	9,704
Current Assets	\$ 631,488	\$ 566,902
#Fixed assets	227,336	212,186
Other assets	144,250	84,197
Leased prop. under cap. leases	18,966	4,716
Total Assets	\$ 1,022,040	\$ 868,001

Liabilities (000's)		
Notes payable	\$ 128,307	\$ 133,354
Long-term debt, curr.	11,054	5,937
Accts. payable	88,487	77,273
Accruals	80,664	55,281
Unearned premiums	4,691	3,478
Insurance loss reserves	43,528	61,618
Income taxes	2,085	2,342
Curr. Liabilities	\$ 358,816	\$ 339,283
Long-term debt	199,992	106,815
Deferred inc. taxes	73,969	74,341
Other liabilities	23,493	26,091
+Common stock:		
Class A	541	459
Class B	201	220
Add. paid-in capital	146,138	72,225
Retained earnings	280,992	254,545
Unearned compen. rel. to restricted stock pur. plan	(33,635)	(822)
Note receiv. from ESOP	(24,569)	—
Cumulative translation adjustment	(3,826)	(4,019)
Unreal. loss on invest.	(72)	(1,137)
Total Liabilities & Shareholders' Equity	\$ 1,022,040	\$ 868,001

* At lower of cost or market.
Less accumulated depreciation and amortization.
+ \$0.10 par value.

Statistical Summary		
%Income bef. Taxes to Sales	8.37	9.03
%Net Income to Sales	5.28	4.61
%Net Income to Equity	16.92	13.20
Sales to Inventories	6.22	6.16
Debt to Equity	0.93	0.77
Working Capital	\$ 272,672,000	\$ 227,619,000
Current Ratio	1.76	1.67
Shareholders' Equity	\$ 365,770,000	\$ 321,471,000

FILSYN Corporation

(formerly Filipinas Synthetic Fiber Corporation)

12th Floor, BA Lepanto Building
8747 Paseo de Roxas, Makati
Metro Manila, Philippines

Officers: Carlos Palanca, Jr., chairman of the board; Patricio L. Lim, president & chief executive officer; Cesar R. Concio, Jr., exec. v.p. & gen. mgr.; Manuel B. Caragay, sr. v.p.-Manufacturing Group; Renato V. Diaz, sr. v.p.-Finance Group; Francisco H. Villaruz, Jr., sr. v.p.-legal affairs & general administration; Bienvenido M. Araw, II, sr. v.p.-Marketing Group; Gonzalo V. Sy-Quia, Jr., sr. v.p.-technology & development; Edgardo C. Goli, v.p. & plant mgr.-Sta. Rosa Plant; Antonio H. Roman, v.p. & plant mgr.-G.M.A. plant; Leopoldo M. Sy-Quia, Jr., v.p.-engineering services; Carmelito C. Agunaldo, v.p.-technical services; Rafael M. Alunan, III, v.p.-International Trading Division; Frank R. Harm, v.p.-marketing; Douglas D. Avila, asst. v.p.-manufacturing maintenance; Arturo C. Disu, asst. v.p.-utilities maintenance; Crispin L. Casas, asst. v.p.-budget & internal audit; Alfonso B. Garcia, Jr., asst. v.p.-finance; Philip L. Lim, asst. v.p.-purchasing.

Directors: Carlos Palanca, Jr., chairman; Patricio L. Lim, Cesar R. Concio, Jr., Alfredo M. Velayo, Kenzo Inoue, Jose A. Yulo, Jr., George L. Go, David E.T. Lim, Ramon A. Recto, Donald Kwok, Roberto D. Anonas, Hector A. Quesada, Gonzalo V. Sy-Quia, Jr., Tomas V. Apacible.

Business Activities: Manufactures synthetic fibers, staple fiber, and filament and specialty yarns.

Division:

International Trading Division

Transfer Agent (s):

Far East Bank and Trust Company

Sales & Earnings		
	Net Sales	Net Income
1986	P1,268,086,428	P 41,427,247
1985	1,365,449,609	(68,936,919)
1984	1,287,916,584	52,758,846
1983	806,224,403	32,893,549
1982	423,203,997	(17,884,506)
	No. of Com. Shares †	Earn. per Share †
1986	21,763,685	P 1.90
1985	21,763,685	—
1984	21,763,685	2.42
1983	21,763,685	1.51
1982	16,469,569	—

(Loss)
P - Philippine peso.
† Adjusted to reflect stock dividend.

Common Stock			
	Cash Dividend	Stock Dividend	Stock Split
1986	—	—	—
1985	—	—	—
1984	—	20%	—

Common Stock Equity		
	Total Equity	Equity Per Share ‡
1986	P 487,797,771	P 22.41
1985	264,263,089	12.14
1984	333,200,008	15.31
1983	280,441,162	12.89
1982	247,547,613	15.03

‡ Adjusted to reflect stock dividend.

Income Account *

Year ended Dec. 31	1986	1985
Net Sales	P1,268,086,428	P1,365,449,609
Cost of sales	1,021,446,232	1,195,271,537
Expenses	89,070,034	73,809,916
Interest expense	118,881,959	171,140,445
Interest income	(2,739,044)	(5,835,370)
Income (loss) before taxes	P 41,427,247	P (68,936,919)
Income taxes	14,596,379	—
Tax reduction	(14,596,379)	—
Net Income (Loss)	P 41,427,247	P (68,936,919)

* Included in Costs and Expenses, Depreciation P80,272,051 in 1986 and P79,055,471 in 1985.

Assets		
As of Dec. 31	1986	1985
Cash	P 20,019,343	P 61,122,820
Marketable securities	8,089,441	4,054,575
Accts. receiv., net	106,076,429	148,347,650
*Inventories	465,597,942	369,218,256
Deposits on letters of credit	7,942,147	6,020,868
Prepaid expenses	28,213,363	54,824,676
Current Assets	P 635,938,665	P 543,588,845
Money market	—	2,563,252
Investments	11,059,005	8,991,505
#Fixed assets	882,717,116	756,942,471
Other assets	30,723,668	33,180,207
Total Assets	P1,560,438,454	P1,445,266,280

Liabilities		
Bank Loans	P 159,989,810	P 274,769,544
Long-term debt, curr.	122,783,342	224,530,360
Accts payable & accruals	120,551,455	84,600,568
Liab. under trust receipts	36,520,500	13,182,682
Drafts & accept. payable	134,410,904	101,944,755
Curr. Liabilities	P 574,256,011	P 699,027,909
Long-term debt	498,384,672	481,975,282
+ Common stock:		
Class A	130,582,530	130,582,530
Class B	87,054,320	87,054,320
Add. paid-in capital	15,882,370	15,882,370
Revaluation in prop.	190,649,454	8,542,019
Retained earnings	63,629,097	22,201,850
Total Liabilities & Shareholders' Equity	P1,560,438,454	P1,445,266,280

* At lower of cost (moving average) or market.
Less accumulated depreciation.
+ P10 par value.

Statistical Summary		
% Net Income to Sales	3.27	—
% Net Income to Equity	8.49	—
Sales to Inventories	2.72	3.70
Debt to Equity	1.60	3.71
Working Capital	P 61,682,654	—
Current Ratio	1.11	—
Shareholders' Equity	P 487,797,771	P 264,263,089

The First Republic Corporation of America

302 Fifth Avenue
New York, New York 10001
(212) 279-6100

Officers: A.A. Rosen, chairman of the board; Norman A. Halper, president; Jonathan P. Rosen, vice president; Myron Mauer, vice president; Harry Bergman, secretary & treasurer; Louis H. Nimkoff, vice president; Robert Nimkoff, vice president.

The First Republic Corporation of America

Directors: A.A. Rosen, chairman; Norman A. Halper, Jonathan P. Rosen, William M. Silverman, Irving Bobrow, Steven Weiman, Louis H. Nimkoff.

Business Activities: Manufactures worsted and acrylic yarns; engages in real estate and hotel operations; manufactures giftware; and produces hard shell clams and oysters.

Textile Divisions and Subsidiaries:

Hanora Spinning, Inc.
Woonsocket, Rhode Island

Whitlock Combing Co., Inc.
Allendale, South Carolina
A wool combing company.

Transfer Agent(s):

Mellon Securities Trust Company
Fort Lee, New Jersey

Continental Stock Transfer Corporation
Jersey City, New Jersey

Stock Exchange(s): Over-the-Counter

Sales & Earnings

	Revenues +	Net Income
1988	\$ 95,235,371	\$ 11,886,162
1987	39,318,424	2,656,589
1986	32,694,033	2,092,546
1985	32,742,890	3,677,051
1984	36,480,000	1,201,111
	No. of Com. Shares #	Earn. per Share #
1988	692,822	\$ 17.16
1987	695,263	3.82
1986	698,748	2.99
1985	700,441	5.15
1984	702,174	1.71

+ Of continuing operations only

Based on the average number of shares outstanding.

Revenues by Line of Business

	1988	1987
Real estate	\$ 35,335,965	\$ 15,954,381
Hotels	4,982,395	5,311,178
Seafood	5,063,699	3,843,078
Textile	13,535,713	13,984,667
Giftware	34,847,000	—
Other	1,603,049	349,320
Eliminations	(132,450)	(124,200)
Total	\$ 95,235,371	\$ 39,318,424

Common Stock Equity

	Total Equity	Equity Per Share†
1988	\$ 40,766,952	\$ 58.84
1987	28,893,940	41.56
1986	26,439,572	37.84
1985	24,411,479	34.85
1984	20,835,278	29.67

† Based on the average number of shares outstanding.

Income Account

Year ended June 30	1988	1987
Net sales	\$ 95,235,371	\$ 39,318,424
Cost of sales	48,834,195	26,505,747
Expenses	19,654,843	2,794,581
Interest & debt service	4,317,271	1,128,664
Depreciation & amortization	2,779,368	3,182,471
Minority interest	(1,357,468)	(74,628)
Income before taxes	\$ 21,007,162	\$ 5,781,589

Income taxes	9,121,000	3,125,000
Net Income	\$ 11,886,162	\$ 2,656,589

Assets

As of June 30	1988	1987
Cash & cash equivalents	\$ 5,054,428	\$ 2,565,507
Marketable securities	3,780,745	—
Accts. & rents receiv.	14,848,038	3,779,829
Mortg. receiv.	883,701	94,993
Notes & other receiv.	273,036	193,219
*Inventories	44,094,065	2,479,213
Prepaid expenses	2,590,488	1,283,483
Due from rel. parties	580,076	820,892
Assets held for resale	1,957,910	2,745,171
Current Assets	\$ 74,062,487	\$ 13,962,307
#Fixed assets	37,995,038	28,701,115
Other assets	8,578,074	6,836,595
Total Assets	\$ 120,635,599	\$ 49,500,017

Liabilities

Notes payable - banks	\$ 9,749,205	\$ 4,133,825
Note payable - Cred. Trust	1,750,000	—
Long-term debt, curr.	1,195,324	617,701
Accts. payable	2,617,917	1,201,163
Accruals & taxes pay.	5,551,379	1,167,721
Accrued compensation	1,864,000	—
Accrued restruc. costs	1,219,000	—
Due to rel. parties	778,601	890,134
Deposit payable	—	600,000
Liab. of prop. held for resale	—	1,859,490
Other liabilities	134,464	261,482
Curr. Liabilities	\$ 24,859,890	\$ 10,731,516
Long-term debt	34,221,206	5,597,668
Minority interest	1,921,642	809,137
Deposit & loans payable	3,965,615	1,588,501
Deferred inc. taxes	1,096,926	971,926
Deferred income	494,429	505,668
Subord. debent. pay.	13,308,939	401,661
+Common stock	1,175,261	1,175,261
Add. paid-in capital	15,000,753	15,000,753
Retained earnings	27,940,376	16,054,214
Treasury stock	(3,349,438)	(3,336,288)
Total Liabilities	\$ 120,635,599	\$ 49,500,017
Shareholders' Equity	\$ 120,635,599	\$ 49,500,017

* At lower of cost (primarily FIFO) or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	22.06	14.70
%Net Income to Revenues	12.48	6.76
%Net Income to Equity	29.16	9.19
Debt to Equity	2.16	0.36
Working Capital	\$ 49,202,597	\$ 3,230,791
Current Ratio	2.98	1.30
Shareholders' Equity	\$ 40,766,952	\$ 28,893,940

Fruit Of The Loom, Inc.

233 South Wacker Drive
6300 Sears Tower
Chicago, Illinois 60606
(312) 876-1724

Officers: William F. Farley, chairman of the board, president & chief exec. officer; John M. Albertine, vice chairman; Paul M. O'Hara, exec. v.p. & chief financial officer; Robert J. Meier, v.p. & treasurer; Kenneth Greenbaum, v.p., secretary & general counsel; Earl C. Shanks, v.p.-taxes; Michael F. Bogacki, controller.

Directors: William F. Farley, chairman; Leon D. Black, Douglas M. Kinney, John M. Albertine, Henry A. Johnson.

Business Activities: Engaged in the manufacturing and marketing of men's, women's and children's underwear and socks, and activewear for the imprinted market.

Textile Trademarks and/or Brand Names: Fruit of the Loom, B.V.D., Screen Stars, Screen Stars Best, Funpals, Fungals, Camp, Russell National, Christian Dior.

Textile Plant Locations(s): Aliceville, Brundidge, Fayette, Jacksonville & Winfield, Ala.; Batesville, Miss.; Bowling Green, Jamestown, Campbellsville, Greensburg & Frankfort, Ky.; Lexington, S.C.; Kings Mountain, Albemarle & Franklinton, N.C.; Jeanerette & St. Martinville, La.; Trois Rivieres, Quebec, Canada; Bunclara, County Donegal, Ireland.

Subsidiaries:

Union Underwear Company, Inc.
Aliceville Cotton Mill, Inc.
Brundidge Shirt Corp.
The B.V.D. Licensing Corporation
Camp Hosiery Company, Inc.
Fayette Cotton Mill, Inc.
Franklinton Cotton Mills, Inc.
Martin Mills, Inc.
Panola Mills, Inc.
Russell Hosiery Mills, Inc.
Russmont Hosiery Mill, Inc.
Union Yarn Mills, Inc.
Winfield Cotton Mill, Inc.
W.P. McCarter & Co., Ltd.
McCarter's Ireland Ltd.
Leesburg Yarn Mills, Inc.
Union Sales, Inc.
Fruit of the Loom International Ltd.

Transfer Agent(s):

Manufacturers Hanover Trust Co.
P.O. Box 24935
Church Street Station
New York, New York 10249

Stock Exchange(s): American

Ticker Symbol: FTL

Sales & Earnings x

	Net Sales +	Net Income ‡
12/31/88	\$ 1,004,700,000	\$ 67,600,000
12/31/87	870,300,000	(13,400,000)
12/31/86	692,900,000	12,100,000
12/31/85*	242,200,000	11,000,000
7/31/85†	331,900,000	(83,900,000)
	No. of Com. Shares ++	Earn. per Share ‡ #
12/31/88	61,550,000	\$ 1.10
12/31/87	61,550,000	—
12/31/86	30,500,000	—
12/31/85*	30,500,000	—

(Loss)

x On July 31, 1985, Northwest Industries, Inc., the predecessor of Fruit of the Loom, Inc., was merged into the Company, completing the acquisition of Northwest.

* 5 months.

† 7 months.

Predecessor company.

+ Of continuing operations only.

‡ Including extraordinary losses of \$5,400,000 (\$0.08 per share) in 1988, \$56,200,000 in 1987 and \$9,300,000 in the seven months ended July 31, 1985.

++ Based on Class A and Class B common stock combined.

Based on the weighted average number of Class A and Class B common shares outstanding during the year.

Common Stock Equity

	Total Equity	Equity Per Share ‡
12/31/88	\$ 257,600,000	\$ 4.19
12/31/87	193,100,000	3.14
12/31/86	(5,100,000)	—
12/31/85	17,300,000	0.57

(Deficiency)

‡ Based on Class A and Class B common stock combined.

Income Account *
(000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 1,004,700	\$ 870,300
Cost of sales	664,300	566,200
Expenses	115,000	108,100
Interest expense	104,600	99,900
Goodwill amortization	24,800	24,600
Other expense (income)	1,400	(5,000)
Income bef. taxes	\$ 94,600	\$ 77,500
Income taxes	21,600	39,700
Inc.-cont. oper.	\$ 73,000	\$ 37,800
Inc.-discont. oper.	—	5,000
Net income	\$ 73,000	\$ 42,800
Extraord. loss	(5,400)	(56,200)
Net income & extraord. loss	\$ (67,600)	\$ (13,400)

* Included in Costs and Expenses, Depreciation and Amortization: \$65,900,000 in 1988 and \$52,100,000 in 1987.

Assets
(000's)

As of Dec. 31	1988	1987
Cash & cash equiv.	\$ 15,400	\$ 19,400
Accts. receiv., net	121,200	99,700
*Inventories	260,700	169,600
Other curr. assets	13,300	9,600
Current Assets	\$ 410,600	\$ 298,300
#Fixed assets	415,400	292,800
Net assets-discont. oper.	—	15,400
Goodwill	908,000	931,800
Investment	40,500	37,400
Other assets	55,900	33,900
Total Assets	\$ 1,830,400	\$ 1,609,600

Liabilities
(000's)

Short-term notes payable	\$ 133,300	\$ 95,000
Long-term debt, curr.	55,100	61,800
Accounts payable	32,500	34,500
Accrued taxes	142,200	132,100
Interest payable	21,200	20,000
Other accruals	82,200	46,500
Curr. Liabilities	\$ 466,500	\$ 389,900
Long-term debt	904,500	762,300
Deferred inc. taxes	127,900	155,100
Other liabilities	73,900	109,200
+Common stock:		
Class A	267,230	267,230
Class B	9,970	9,970
Retained earnings (def.)	(25,900)	(93,500)
Curr. trans. adjust.	6,300	9,400
Total Liabilities & Shareholders' Equity	\$ 1,830,400	\$ 1,609,600

* At lower of cost (LIFO) or market.

Less accumulated depreciation.

+ \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.42	—
%Net Income to Sales	7.27	—
%Net Income to Equity	28.34	—
Sales to Inventories	3.85	5.13
Debt to Equity	4.24	4.76
Shareholders' Equity	\$ 257,600,000	\$ 193,100,000

Sales & Earnings

	Net Sales + (000's)	Net Income ‡ (000's)
1988	\$ 934,000	\$ 92,679
1987	677,000	62,950
1986	611,000	39,575
1985	544,000	33,220
1984	473,000	37,494

No. of Com.
Shares ‡

	No. of Com. Shares ‡	Earn. per Share ‡ †
1988	21,615,000	\$ 4.29
1987	21,639,000	2.92
1986	21,301,000	1.86
1985	20,759,000	1.61
1984	20,018,000	1.88

+ Includes other revenues; of continuing operations only.
† Including extraordinary gains of \$219,000 (\$0.01 per share) in 1985 and \$320,000 (\$0.02 per share) in 1984.

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1988	1987
Lawn & garden	\$ 242,200	\$ 287,600
Photofinishing	590,100	304,300
Sporting goods	101,300	85,200
Total	\$ 933,600	\$ 677,100

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	\$ 0.26	—	—
1987	0.24	—	—
1986	0.22	—	2-for-1
1985	0.20	—	—
1984	0.19	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1988	\$ 399,874	\$ 18.50
1987	308,677	14.25
1986	246,434	11.57
1985	205,198	9.88
1984	164,589 ‡	8.22

‡ After allowing for Series B preferred stock at involuntary liquidation value.

† Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 933,633	\$ 677,145
Cost of sales	616,870	437,706
Expenses	263,289	161,314
Prov. for consol. of mfg. facil.	5,054	—
Interest expense	18,101	13,300
Other income	(4,373)	(6,502)
Settle. of emp. agreements	14,991	—
Gain on photofinishing plants	(107,505)	—
Income before taxes	\$ 127,206	\$ 71,327

Fuqua Industries, Inc.

4900 Georgia-Pacific Center
Atlanta, Georgia 30303
(404) 658-9000

Officers: J. B. Fuqua, chairman of the board & chief executive officer; Lawrence P. Klamon, president & chief executive officer; James M. Bahin, v.p.-finance; John F. Bartels, v.p.-controller; William D. Dodge, v.p.-insurance; James R. Foster, v.p. & treasurer; Mildred H. Hutcheson, v.p.-legal services; Samuel W. Norwood, III, v.p.-corporate development; Hiram M. Nowlan, Jr., secretary; Colin W. Brown, v.p. & general counsel; Donald M. Culbertson, asst. controller; Paul N. Kiel, deputy gen. counsel; James M. Adamovitz, v.p.-taxes.

Directors: J. B. Fuqua, chairman; Frank W. Hulse, Anthony A. Malizia, Carl E. Sanders*, Paul E. Yarbrough, Jr., L. P. Klamon*, W. Clay Hamner, John B. Zellars, J. Rex Fuqua, Charles R. Scott, Thomas N. Warner.

* Member of the Executive Committee

Business Activities: The Company, through its Willow Hosiery Company subsidiary, is involved in the distribution of athletic hosiery sold under a variety of licensed names including the names of teams in the NFL and Major League Baseball, as well as Keds, Pro-Keds, and English Leather. Nelson/Weather-Rite, Inc. sells rainwear and footwear for camping and outdoor activity. Hutch Sporting Goods, Inc. manufactures equipment for major team sports activities, including youth uniforms of NFL and National Basketball Association teams. Other activities include the manufacture of lawn and garden equipment, recreation products, industrial products, and the provision of financial and photofinishing services.

Apparel Trademarks and/or Brand Names: Hutch, Reach, Weather-Rite, American Camper, English Leather*, Keds*, Pro-Keds*.

*Under licensing agreement.

Textile/Apparel Subsidiaries:

Willow Hosiery Company, Inc.
350 Fifth Avenue
Suite 314
New York, New York 10118
(212) 594-0020

Athletic and family hosiery.

Nelson/Weather-Rite, Inc.
125 Enterprise Avenue
Secaucus, New Jersey 07094
(201) 348-0400

Camping, rainwear and other sports equipment.

Hutch Sporting Goods, Inc.
1924-1928 West Eighth Street
Cincinnati, Ohio 45204
(513) 251-4510

Team athletic equipment.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
One New York Plaza, 14th Floor
New York, New York 10081

Stock Exchange(s): New York, Pacific

Ticker Symbol: FQA

Fuqua Industries, Inc.

Income taxes	49,520	28,161
Minority interest	977	—
Inc-cont. oper.	\$ 76,709	\$ 43,166
Inc-discont. oper.	15,970	19,784
Net Income	\$ 92,679	\$ 62,950

* Included in Costs and Expenses, Depreciation and Amortization: \$36,471,000 in 1988 and \$20,026,000 in 1987

Assets (000's)		
As of Dec. 31	1988	1987
Cash	\$ 81,610	\$ 46,165
Receivables	195,490	186,022
* Inventories	96,667	95,596
Prepaid expenses	10,119	6,063
Fut. inc. tax benefit	34,202	14,806
Current Assets	\$ 418,088	\$ 348,652
Invest. in Georgia Fed	238,018	240,863
Fixed Assets	164,749	91,514
Other assets	30,304	21,167
Intangibles	294,861	46,345
Total Assets	\$ 1,146,020	\$ 748,541

Liabilities (000's)		
Notes payable	\$ 27,282	\$ 30,000
Long-term debt & cap. lease oblig., curr.	13,572	10,967
Accts. payable & accruals	185,940	110,605
Curr. Liabilities	\$ 226,794	\$ 151,572
Long-term debt & cap. lease oblig.	49,683	40,659
Subord. debt	224,235	227,176
Deferred inc. taxes	60,242	20,457
Minority interest	185,192	—
* Common stock	22,713	21,616
Add. paid-in capital	38,810	29,897
Retained earnings	351,561	264,340
Treasury stock	(13,210)	(7,176)
Total Liabilities & Shareholders' Equity	\$ 1,146,020	\$ 748,541

* At lower of cost (LIFO) or market.
* Less accumulated depreciation.
* \$1 par value

Statistical Summary

%Net Income to Equity	23.18	20.39
Sales to Inventories	9.66	7.08
Debt to Equity	0.25	0.26
Working Capital	\$ 191,244,000	\$ 197,080,000
Current Ratio	1.84	2.30
Shareholders' Equity	\$ 399,874,000	\$ 308,677,000

GAF Corporation

1361 Alps Road
Wayne, New Jersey 07470
(201) 628-3000

Officers: Samuel J. Heyman, chairman of the board & chief exec. officer; James T. Sherwin, vice-chairman & chief administrative officer; Irving Kagan, sr. v.p., general counsel & secretary; Heini F. Tomfohrde, III, exec. vice president & president-GAF Chemicals Corporation; John A. Brennan, exec. vice president & president-GAF Materials Corporation; Carl R. Eckardt, exec. vice president-corp. development; Salvatore C. Bellini, sr. v.p. & controller

Directors: Samuel J. Heyman, chairman; Daniel T. Carroll, Carl R. Eckardt, Jacob E. Goldman, Sanford Kaplan, William P. Lyons, Scott A. Rogers, Jr., James T. Sherwin, William Sper, Joseph D. Tydings

Business Activities: Chemical: acetylene-based chemicals used to make plastics, synthetic fibers, cosmetics, etc.; specialty chemicals, including surfactants, textile auxiliary chemicals, organometallics and ultraviolet absorbers, agricultural chemicals; mineral products; and filters. Building materials; roofing materials; insulation.

Plant Locations: Huntsville, Mobile, Alabama; Fontana, Irwindale, California; Tampa, Florida; Savannah, Winder, Georgia; Mount Vernon, Indiana; Calvert City, Kentucky; Baltimore, Maryland; Millis, Massachusetts; Minneapolis, Minnesota; Annapolis, Missouri; Linden, Bound Brook, New Jersey; Blue Ridge Summit, Erie, Pennsylvania; Chester, Spartanburg, South Carolina; Nashville, Tennessee; Dallas, Seadrift, Texas City, Texas; Pembine, Wisconsin.

Trademarks and/or Brand Names: 2-Pyrol, V-Pyrol, Gantrez, Pregel, Soladogen, Gafglas.

Domestic Subsidiaries:

GAF Building Materials Corp. (Delaware)
GAF Chemicals Corp. (Delaware)
GAF Broadcasting Co., Inc. (New York)
GAF Export Co. (New York, New York; Carolina, Puerto Rico)
GAF Hawaii Inc. (Hawaii)
GAF International Corp. (New York, New York)
GAF Realty Corp. (Delaware)
General Aniline & Film Corp. (Delaware)

Foreign Subsidiaries:

GAF (Belgium) N.V.
GAF (Deutschland) G.m.b.H. (F.R. Germ.)
GAF (France) S.A.
GAF (Norge) A/S (Norway)
GAF (Svenska) A.B. (Sweden)
GAF (Canada) Ltd.
GAF Corporation de Mexico, S.A. de C.V.
GAF (Danmark) A/S (Denmark)
GAF do Brazil Industria e Comercio Ltda. (Brazil)
GAF (Great Britain) Ltd.
GAF Insurance Ltd. (Bermuda)
GAF (Italia) S.r.l. (Italy)
GAF Japan Ltd.
GAF (Osterreich) G.m.b.H. (Austria)
GAF (Singapore) Private Ltd.
GAF (Suomi) Oy (Finland)
GAF (Switzerland) A.G.
GAF (New Zealand)
GAF (Spain)

Affiliates:

GAF/Huls Chemie G.m.b.H. (50% owned)
Marl, West Germany

Transfer Agent(s):

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York

Ticker Symbol: GAF

Sales & Earnings

	Net Sales + (000's)	Net Income + (000's)
1988	\$ 961,412	\$ 100,349
1987	836,928	237,557
1986	753,800	291,161
1985	732,000	77,581
1984	731,300	56,702

	No. of Com. Shares #	Earn. per Share +\$
1988	28,561,000	\$ 3.51
1987	34,144,000	6.96
1986	36,283,000	8.08
1985	34,342,000	2.25
1984	28,884,000	—

+ Of continuing operations only.

† Including extraordinary gains of \$9,578,000 (\$0.33 per share) in 1988, \$137,505,000 (\$4.03 per share) in 1987, \$212,475,000 (\$5.86 per share) in 1986, \$23,285,000 (\$0.68 per share) in 1985 and \$15,656,000 (\$0.54 per share) in 1984.

* Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business (000's)

	1988	1987
Chemical	\$ 545,000	\$ 431,400
Building materials	411,400	400,500
Broadcasting	5,000	5,000
Total	\$ 961,400	\$ 836,900

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1987	\$ 0.10	—	—
1986	0.10	—	—
1985	0.10	—	—
1984	0.05	—	—
1983	0.025	—	—

* Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per share +
1988	\$ 623,477,000	\$ 21.83
1987	508,317,000	14.89
1986	601,498,000	16.58
1985	298,153,000	8.68
1984	147,017,000	5.07

* After allowing for preferred stock at aggregate liquidation value.
+ Adjusted to reflect stock split.

Income Account * (000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 961,412	\$ 836,928
Cost of sales	643,088	549,501
Expenses	181,298	168,572
Interest income	(98,733)	(97,012)
Interest expense	52,721	54,116
Other expense	47,143	7,245
Income before taxes	\$ 135,895	\$ 154,508
Income taxes	45,124	54,454
Net Income	\$ 90,771	\$ 100,052
Extraord. gain	9,578	137,505
Net Income & extraord. gain	\$ 100,349	\$ 237,557

* Included in Costs and Expenses, Depreciation: \$20,681,000 in 1988 and \$17,706,000 in 1987.

Assets (000's)			
As of Dec. 31	1988	1987	
Cash	\$ 42,110	\$ 61,094	
Short-term invest.	574,105	254,984	
Accts. receiv. net	184,737	177,565	
*Inventories	119,465	116,304	
Other current assets	6,488	10,509	
Current Assets	\$ 926,905	\$ 580,456	
Marketable securities	49,877	298,978	
#Fixed assets	327,730	276,620	
Exc. of cost over assets acq.	57,460	56,289	
Other assets	59,153	85,428	
Total Assets	\$ 1,421,125	\$ 1,297,771	

Liabilities (000's)			
Notes payable	\$ 7,161	\$ 8,585	
Long-term debt, curr.	4,976	1,559	
Accts. payable	80,827	86,907	
Accruals	118,988	96,308	
Income taxes	9,353	31,471	
Curr. Liabilities	\$ 221,305	\$ 224,830	
Long-term debt	486,727	491,966	
Other liabilities	89,616	72,658	
+Common stock	36,008	36,008	
Add. paid-in capital	45,554	46,565	
Retained earnings	851,010	753,438	
Translation adj.	12,067	18,134	
Net unrealized loss market eq. secu.	—	(22,038)	
Treasury stock	(321,162)	(323,790)	
Total Liabilities & Shareholders' Equity	\$ 1,421,125	\$ 1,297,771	

* At lower of cost (LIFO & average) or market.

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary		
%Income bef. Taxes to Sales	14.13	18.46
%Net Income to Sales	10.44	11.95
%Net Income to Equity	16.10	19.68
Sales to Inventories	8.05	7.20
Debt to Equity	0.80	0.99
Working Capital	\$ 705,600,000	\$ 355,626,000
Current Ratio	4.19	2.58
Shareholders' Equity	\$ 623,477,000	\$ 508,317,000

Galaxy Carpet Mills, Inc.

(Acquired by Peerless Carpet Corporation, of Canada, in 1988.)

850 Arthur Avenue
Elk Grove Village, Illinois 60007
(312) 593-0555

Officers: Irwin M. Harvey, chairman of the board & chief exec. officer; Alvin B. Bush, president & chief operating officer; Charles A. Bramlett, exec. vice president & dir.-mfg.; Bobby T. Mosteller, sr. v.p.-mfg. planning & operations; Jack C. Chadwick, v.p.-carpet mfg.; Robert A. Izard, sr. v.p.-international sales; Larry D. Reed, sr. v.p.-finance & administration; Philip Steinway, v.p.-sales; Myron H. Lurie, v.p.-distribution; Louis Rostan, asst. secretary; Dave Russell, v.p.-mgt. info. systems; Ralph Williams, v.p. & dir.-research & development; Dewey French, sr. v.p. & dir.-marketing; Bernard F. Whittlinger, v.p.-Nautilus Division; Jack Flummini, v.p.-credit; Robert A. Lange, Jr., secretary-treasurer; Donald J. Savon, v.p.-Eastern Division; Alan W. Morse, v.p.-product styling & design; Fred Ellman, v.p.-advertising & promotion; Mike Fuller, v.p.-personnel & industrial relations; Robert E. Dennard, Jr., v.p.-Southern Division; Bob George, v.p.-Western Division; Bob Ruppe, v.p.-yarn manufacturing; Edward H. Williams, v.p.-North American Division.

Directors: Charles A. Bramlett, Alvin B. Bush, Irwin M. Harvey, Robert A. Izard, Mandall Kaplan, Bobby T. Mosteller, George K. Hendrick, Jr., Donald P. Jacobs, F. E. Masland, III.

Business Activities: Manufactures tufted carpet which is marketed to retailers and wholesale distributors for residential and commercial applications.

Trademarks and/or Brand Names: Future Step, Uni-set, Quickship, Mark-less Beauty, Seam-Less Saxones, Spot-Less Collection, Creative Classics, The Naturals.

Plant Location(s): Ft. Oglethorpe, Chatsworth & Dalton, GA; South Pittsburg, Tennessee.

Sales & Earnings			
	Net Sales	Net Income	
1987	\$ 262,726,208	\$ 5,797,681	
1986*	204,007,000	1,200,000	
1985	195,311,000	3,741,000	
1984	222,618,000	7,016,000	
1983	200,121,000	7,778,000	
	No. of Com. Shares †	Earn. per Share †	
1987	3,172,000	\$ 1.72	
1986*	3,371,000	0.36	
1985	3,371,000	1.11	
1984	3,371,000	2.08	
1983	3,252,000	2.39	

* 53 weeks.

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock			
	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	—
1985	—	—	—
1984	—	—	—
1983	—	—	5-for-4

Common Stock Equity		
	Total Equity	Equity Per Share ‡
1987	\$ 60,845,000	\$ 18.04
1986	55,018,000	16.32
1985	53,818,000	15.96
1984	50,077,000	14.66
1983	43,061,000	12.77

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *		
Year ended	10/3/87	10/4/87
Net sales	\$ 262,726,208	\$ 204,007,118
Cost of sales	200,787,415	160,085,073
Expenses	44,850,171	37,474,621
Interest expense	4,898,037	4,320,699
Other expense	328,822	250,934
Income before taxes	\$ 11,861,763	\$ 1,875,791
Income taxes	6,064,082	675,692
Net Income	\$ 5,797,681	\$ 1,200,099

* Included in Costs and Expenses, Depreciation: \$4,517,741 in 1987 and \$4,477,894 in 1986.

Assets		
As of	10/3/87	10/4/86
Cash	\$ 829,904	\$ 1,304,314
Accts. receiv., net	43,472,575	38,370,933
*Inventories	58,225,677	46,174,569
Prepaid expenses	7,443,937	6,558,269
Current Assets	\$ 109,972,093	\$ 92,408,085
#Fixed assets	47,132,376	40,208,926
Defer. charges & other assets	1,437,741	688,169
Total Assets	\$ 158,542,210	\$ 133,305,180

Liabilities		
Notes payable	\$ —	\$ 8,000,000
Long-term debt, curr.	334,002	2,626,401
Accts. payable	20,610,196	23,442,647
Accruals	6,688,111	6,029,340
Income taxes	672,114	457,198
Curr. Liabilities	\$ 28,304,423	\$ 40,555,586
Long-term debt	61,892,187	31,646,281
Deferred inc. taxes	7,500,782	6,085,070
+Common stock	337,331	337,070
Add. paid-in capital	9,202,815	9,174,182
Retained earnings	51,306,672	45,506,991
Total Liabilities & Shareholders' Equity	\$ 158,542,210	\$ 133,305,180

* At lower of cost (LIFO) or market.

Less accumulated depreciation.

+ \$0.10 par value.

Statistical Summary		
%Income bef. Taxes to Sales	4.51	0.92
%Net Income to Sales	2.21	0.59
%Net Income to Equity	9.53	2.18
Sales to Inventories	4.51	4.42
Debt to Equity	1.02	0.62
Working Capital	\$ 81,667,670	\$ 51,852,499
Current Ratio	3.89	2.28
Shareholders' Equity	\$ 60,844,818	\$ 55,018,243

Garan, Incorporated

150 Fifth Avenue
New York, New York 10118
(212) 563-2000

Officers: Seymour Lichtenstein, chairman of the board; Jerald Kamel, president; William J. Wilson, v.p.-finance & administration; Perry Mullen, v.p.-mfg.; Marvin S. Robinson, v.p., general counsel & secretary; Alexander J. Satsrenik, corp. controller.

Directors: Seymour Lichtenstein, chairman; Perry Mullen, Jerald Kamel, William J. Wilson, Marvin Robinson, Rodney Faver, Myron Graham.

Business Activities: Produces and markets knitted and woven sport shirts for men and boys, slacks and jeans, girls' and juniors' knitted tops and jeans, and infants' and toddlers' tops and bottoms.

Trademarks and/or Brand Names: Garan, Garanimals, Garan Mountain Lion, Garan Man, Garan by Marita, Rob Roy, bibo, Jell-o, National Football League, Major League Baseball, Bobbie Brooks, Garan Advantage.

Plant Location(s): Ozark, Ark.; Clinton, Ky.; Jonesville, Kaplan, Marksville, Many, Olla, Simmesport, Church Point, Port Barre, La.; Carthage, Cozzith, Europa, Konciusko, Lambert, Philadelphia, Starkville, Iuka, Haleyville, Miss.; Adamsville, Tenn.; Rainville, Ala.

Transfer Agent(s):

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007-2192

Garan, Incorporated

Stock Exchange(s): American

Ticker Symbol: GAN

Sales & Earnings

	Net Sales	Net Income
1988	\$ 133,291,000	\$ 6,475,000
1987	108,835,000	2,186,000
1986	105,386,000	2,865,000
1985	138,161,000	5,561,000
1984	176,907,000	11,916,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	2,559,000	\$ 2.53
1987	2,706,600	0.81
1986	2,977,500	0.96
1985	3,243,300	1.71
1984	3,283,100	3.63

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 0.70	—	—
1987	0.60	—	—
1986	0.75	—	—
1985	1.20	—	—
1984	1.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 60,047,000	\$ 23.47
1987	56,692,000	20.95
1986	66,498,000	22.33
1985	65,841,000	20.30
1984	72,836,000	22.19

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*

Year ended	9/30/88	9/30/87
Net sales	\$ 133,291,000	\$ 108,835,000
Cost of sales	104,747,000	88,289,000
Expenses	19,140,000	17,494,000
Int. on cap. leases	439,000	605,000
Interest income	(1,479,000)	(1,469,000)
Income before taxes	\$ 10,444,000	\$ 3,916,000
Income taxes	3,969,000	1,730,000
Net Income	6,475,000	2,186,000

* Included in Costs and Expenses, Depreciation and Amortization: \$2,718,000 in 1988 and \$2,764,000 in 1987.

Assets

As of	9/30/88	9/30/87
Cash & cash equiv.	\$ 25,819,000	\$ 20,139,000
Accts. receiv., net	24,327,000	23,272,000
*Inventories	19,634,000	22,817,000
Other current assets	1,375,000	1,681,000
Current Assets	\$ 71,155,000	\$ 67,909,000
† Fixed assets	12,925,000	15,641,000
Other assets	1,224,000	1,417,000
Total Assets	\$ 85,304,000	\$ 84,967,000

Liabilities

Long-term debt, curr.	\$ 503,000	\$ 660,000
Accts. payable	9,963,000	9,404,000
Accruals	7,266,000	8,304,000
Income taxes	673,000	662,000
Curr. Liabilities	\$ 18,405,000	\$ 19,030,000

Cap. lease oblig.	5,683,000	8,184,000
Deferred inc. taxes	1,169,000	1,061,000
+ Common stock	2,529,000	2,611,000
Add. paid-in capital	6,053,000	7,302,000
Retained earnings	51,465,000	46,779,000

Total Liabilities & Shareholders' Equity	\$ 85,304,000	\$ 84,967,000
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* At lower of cost (FIFO) or market.
† Less accumulated depreciation and amortization.
‡ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.84	3.60
% Net Income to Sales	4.86	2.01
% Net Income to Equity	10.78	3.86
Sales to Inventories	6.79	4.77
Debt to Equity	0.10	0.14
Working Capital	\$ 52,750,000	\$ 48,679,000
Current Ratio	3.87	3.57
Shareholder's Equity	\$ 60,047,000	\$ 56,692,000

Gemco National, Inc.

216 Willowbrook Lane
West Chester, Pennsylvania 19382
(215) 430-8124

Officers: Ronald W. Hayes, chairman of the board; Frank P. Fitzpatrick, president & chief executive officer; Alvin H. Schwartz, v.p.; Alfred Miller, secretary; Ann Harper, asst. secretary.

Directors: Ronald W. Hayes, chairman; Frank P. Fitzpatrick, Yassin El-Ayouty, Donald F. U. Goebert, Alfred Miller, Alvin H. Schwartz, Merrill D. Schwartz.

Business Activities: Through its wholly owned subsidiary, Universal Industries, Inc., the Company markets headwear, gloves, and related items to department and discount stores and through its catalog division to specialty stores, colleges and universities, and corporate customers.

Subsidiaries:

Universal Industries, Inc.

Transfer Agent(s):

Fleet National Bank
111 Westminster Street
Providence, Rhode Island 02903

Stock Exchange(s): American

Ticker Symbol: GNL

Sales & Earnings

	Net Sales +	Net Income †
1987	\$ 19,771,000	\$ 778,000
1986	17,243,000	(1,751,000)
1985	15,549,000	(5,426,000)
1984	15,478,000	129,000
1983	14,314,000	1,771,000

	No. of Com. Shares	Earn. per Share ‡
1987	2,781,556	\$ 0.28
1986	2,714,056	—
1985	2,534,056	—
1984	2,534,056	0.05
1983	N.A.	0.66

(Loss)

N.A.—Not Available.

+ Of continuing operations only

† Including extraordinary gains of \$323,000 (\$0.12 per share) in 1987 and \$515,456 in 1986.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1987	\$ 6,524,113	\$ 2.35
1986	5,636,700	2.08
1985	7,140,523	2.82
1984	12,566,125	4.96

Income Account*

Year ended Dec. 31	1987	1986
Net sales	\$ 19,770,800	\$ 17,243,091
Cost of sales	12,962,800	11,838,768
Expenses	5,291,093	4,656,859
Interest expense	557,882	512,053
Interest income	(122,299)	(159,725)
Gain on sale of invest.	—	(1,288,802)
Gain on repurch. of debent.	(35,625)	(3,625)
Other income	(108,904)	(132,516)
Income before taxes	\$ 1,225,853	\$ 1,820,079
Income taxes	636,128	656,677
Income from cont. oper.	\$ 589,725	\$ 1,163,402
Loss from discont. oper.	(135,000)	(3,430,181)
Net Income (Loss)	\$ 454,725	\$ (2,266,779)
Extraord. gain	323,000	515,456
Net Income (Loss) & extraord. gain	\$ 777,725	\$ (1,751,323)

* Included in Costs and Expenses, Depreciation and Amortization: \$345,040 in 1987 and \$367,011 in 1986.

Assets

As of Dec. 31	1987	1986
Cash	\$ 1,918,339	\$ 2,533,810
Accts. receiv., net	2,732,082	1,996,033
Refundable taxes	—	455,408
Inventories	8,728,381	6,667,428
Other curr. assets	117,108	276,051
Current Assets	\$ 13,495,910	\$ 11,928,730
Notes receiv.	40,000	50,000
Market. eq. secur.	527,737	—
Disenture issue costs	6,282	17,245
† Fixed assets	2,010,671	2,007,319
Other assets	78,492	68,507
Intangibles	42,946	44,813
Total Assets	\$ 16,200,040	\$ 14,116,614

Liabilities

Notes payable	\$ 3,700,012	\$ 1,823,803
Long-term debt, curr.	767,305	2,075,508
Accts. payable	1,165,247	875,777
Allow. for loss-discont. oper.	807,650	348,068
Accruals	513,498	248,930
Curr. Liabilities	\$ 6,453,712	\$ 5,372,086
Long-term debt	3,222,215	3,107,828
+ Common stock	1,390,778	1,357,028
Add. paid-in capital	3,650,240	3,574,302
Retained earnings	1,483,095	705,370
Total Liabilities & Shareholders' Equity	\$ 16,200,040	\$ 14,116,614

* At lower of cost (FIFO) or market.
† Less accumulated depreciation and amortization.
‡ \$0.50 par value.

Statistical Summary

%Net Income to Equity	6.97	—
Sales to Inventories	2.27	2.59
Debt to Equity	1.18	1.24
Working Capital	\$ 7,042,198	\$ 6,556,644
Current Ratio	2.09	2.22
Shareholders' Equity	\$ 6,524,113	\$ 5,636,700

Genesco Inc.

Genesco Park
Nashville, Tennessee 37202
(615) 367-7000

Officers: William S. Wire, II, chairman & chief executive officer; Larry B. Shelton, president & chief operating officer; James W. O'Brien, v.p.-human resources; William C. O'Connor, v.p.-law & secretary; James S. Gulmi, v.p.-finance & treasurer; Richard L. Daniels, v.p. & pres.-Performance Polymer International; Robert E. Brosky, controller & chief accounting officer; Larry G. Kinney, asst. v.p.; M. Wills Oglesby, asst. treasurer.

Directors: William S. Wire*, chairman; Sidney Davidson*, John Diebold*, Harry D. Garber*, Larry B. Shelton, Edward E. Elson*, W. Lipscomb Davis, Jr., Philip Merrill, William G. Moore, Jr.

* Member of the Executive Committee

Business Activities: Genesco's business falls into three major areas: retailing, footwear, and men's apparel manufacturing. Operates 635 shoe stores and leased shoe departments throughout the U.S. and in Puerto Rico.

Plant Location(s): Hokenwald, Waynesboro, and Nashville, Tennessee; Danville, Kentucky; Fulton and Iuka, Mississippi; and Reynosa, Mexico.

Trademarks and/or Brand Names: Kilgour, French & Stanbury, Lanvin of Paris, Lanvin Studio, Greif, Donald Brooks, Chaps by Ralph Lauren, Phoenix, Polo University Club by Ralph Lauren, Perry Ellis, Perry Ellis Portfolio, Johnston & Murphy, Jarman, Code West, Laredo, Mitre, Charm Step, Easy Street, J&M for Women.

Divisions and Subsidiaries:

Manufacturing and Wholesale:

Mitre Sports
Genesco Park, Room 328
Nashville, Tennessee 37202
(615) 367-7475
Athletic shoes.

Laredo/Code West Boots
Genesco Park
Nashville, Tennessee 37202
(615) 367-7138

Laredo and Code West western boots for men, women, and children.

Charm Step Shoe Company
Genesco Park
Nashville, Tennessee 37202
(615) 367-7113

Women's popular priced shoes.

Volunteer Leather
Genesco Park
Nashville, Tennessee 37202
(615) 367-8261

Side leather tanning, finishing and distributing.

Johnston & Murphy Shoe Company
Genesco Park
Nashville, Tennessee 37202
(615) 367-8101

Johnston & Murphy men's shoes; operates 93 retail shoe stores and 39 leased shoe departments.

The Greif Companies
939 Maroon Boulevard
P.O. Box 9000
Allentown, Pennsylvania 18001
(215) 266-2200

Men's tailored clothing

Genesco Retail:

Journeys
Genesco Park
Nashville, Tennessee 37202
(615) 367-7019

Footwear and personal accessories for young men and women, aged 13-23.

Genesco Factory To You Shoes
Genesco Park
Nashville, Tennessee 37202
(615) 367-7363
Family footwear and accessories at factory prices.

Hardy Shoe Stores
Genesco Park
Nashville, Tennessee 37202
(615) 367-7444
Popular priced men's shoe stores.

Jarman/Flagg
Genesco Park
Nashville, Tennessee 37202
(615) 367-7222
Men's shoe stores and leased departments featuring Jarman shoes.

Transfer Agent(s):

Morgan Shareholder Services Trust Company
(common & preferred stock)
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, Midwest

Ticker Symbol: GCO

Sales & Earnings

	Net Sales † (000's)	Net Income (000's)
1989	\$ 462,766	\$ 15,156
1988	405,844	11,444
1987	514,589	20,426
1986	538,486	(33,929)
1985*	297,372	4,548

	No. of Com. Shares	Earn. per Share ‡
1989	20,723,669	\$ 0.76
1988	15,188,821	0.61
1987	15,173,821	1.20
1986	15,098,821	—
1985*	15,080,800	0.23

(Loss)

* 6 months.

† Of continuing operations only.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Footwear:		
Retail	\$ 202,037	\$ 185,893
Wholesale & mfg.	135,980	121,638
Total Footwear	\$ 338,017	\$ 307,531
Men's apparel	124,749	98,313
Total	\$ 462,766	\$ 405,844

Common Stock Equity

	Total Equity	Equity Per Share
1989	\$ 102,031,000	\$ 4.92
1988	56,155,000	3.70
1987	46,185,000	3.04
1986	19,701,000	1.30
1985	58,364,000	3.87

Income Account *
(000's)

Year ended Jan. 31	1989	1988
Net sales	\$ 462,766	\$ 405,844
Cost of sales	294,072	256,966
Expenses	149,218	139,986
Interest expense	9,511	9,967
Interest income	(2,160)	(3,639)
Other income	(1,276)	(4,717)
Pension plan settle. gain	(2,298)	—
Inc. bef. taxes	\$ 15,699	\$ 7,281
Income taxes (credit)	543	(39)
Inc. - cont. oper.	\$ 15,156	\$ 7,320
Inc. - discont. oper.	—	4,124
Net Income	\$ 15,156	\$ 11,444

* Included in Costs and Expenses, Depreciation and Amortization: \$7,821,000 in 1989 and \$7,619,000 in 1988.

Assets
(000's)

As of Jan. 31	1989	1988
Cash	\$ 41,775	\$ 46,513
Accts. receiv., net	58,596	56,470
* Inventories	114,387	106,045
Prepaid expenses	3,856	3,642
Curr. Assets	\$ 218,614	\$ 210,670
Fixed assets	41,711	43,987
Other assets	5,110	3,836
Total Assets	\$ 265,435	\$ 258,493

Liabilities
(000's)

	1989	1988
Long-term debt, curr.	\$ 9,642	\$ —
Capitalized lease oblig., curr.	738	1,912
Accts. payable & accruals	41,751	44,412
Curr. liabilities	\$ 52,175	\$ 46,324
Long-term debt	49,377	57,989
Cap. lease oblig.	10,260	11,013
Other liabilities	17,689	21,092
Redeem. pref. stock	17,304	36,347
Preferred stock	16,599	29,573
+ Common stock	21,212	15,677
Add. paid-in capital	91,007	65,673
Retained earnings (deficit)	8,179	(6,828)
Treasury stock	(18,367)	(18,367)
Total Liabilities & Shareholders' Equity	\$ 265,435	\$ 258,493

* At lower of cost (FIFO) or market.

‡ Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.39	—
%Net Income to Sales	3.28	—
%Net Income to Equity	12.78	9.34
Sales to Inventories	4.05	3.83
Debt to Equity	0.39	0.83
Working Capital	\$ 166,439,000	\$ 164,346,000
Current Ratio	4.19	4.55
Shareholders' Equity	\$ 118,630,000	\$ 85,728,000

Georgia Bonded Fibers, Inc.

15 Nuttman Street
Newark, New Jersey 07103
(201) 642-3547

Georgia Bonded Fibers, Inc.

Officers: Hugo N. Surmonte, chairman of the board & treasurer; James C. Kostelnik, president; Angelina Montebello, secretary; Malcolm Christian, asst. secretary & general counsel; Larry D. Harkleroad, controller.

Directors: Hugo N. Surmonte, chairman; James C. Kostelnik, Angelina Montebello, Richard C. Campbell, William J. Binnie, Malcolm M. Christian, Joseph F. Raffetto, Robert J. Weeks.

Business Activities: Manufactures elastomeric fiber materials used in the manufacture of shoes, luggage, handbags, belts (backing), hats (brims and visors); and in allied industries as a covering, lining or base construction for a variety of consumer and industrial products and as an asbestos substitute for floor underlay.

Trademark(s): Bontex, Sir-Pel, Bon-Foam 400, Sure-Foam II, Morimer PVC, Bon-Pel.

Plant Location(s): Buena Vista, Va.; Stembert, Belgium.

Subsidiaries:

Bontex, Inc. (FSC)
Virgin Islands

Bontex, S.A.
Rue Slar
Stembert 4801, Belgium

Bontex Italia S.R.L.
Sommacampagna
Verona, Italy

Transfer Agent(s):

Registrar & Transfer Company
Cranford, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GBFH (NASDAQ)

Sales and Earnings

	Net Sales	Net Income †
1988	\$ 33,376,000	\$ 313,000
1987	32,755,000	316,000
1986	30,353,144	1,475,991
1985	25,849,052	238,178
1984	30,374,933	1,720,748
	No. of Com. Shares ‡	Earn. per Share ‡
1988	1,429,958	\$ 0.22
1987	1,429,958	0.22
1986	1,429,958	1.03
1985	1,429,958	0.17
1984	1,429,958	1.20

† Including extraordinary gain of \$353,544 (\$0.25 per share) in 1986 and extraordinary loss of \$118,961 (\$0.08 per share) in 1985.

‡ Adjusted to reflect stock dividend.

§ Based on the average number of shares outstanding during the period adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	—
1986	—	—	—
1985	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share *
1988	\$ 8,574,000	\$ 6.00
1987	8,410,000	5.88
1986	7,834,000	5.48
1985	5,760,000	4.03
1984	5,811,000	4.06

* Adjusted to reflect stock dividend.

Income Account *

Year ended June 30	1988	1987
Net sales	\$ 33,376,000	\$ 32,755,000
Cost of sales	24,989,000	23,448,000
Expenses	7,894,000	7,955,000
Interest expense	456,000	455,000
Interest income	(133,000)	(150,000)
For curr. exch. adj.	(50,000)	287,000
Other income	(74,000)	(37,000)
Income before taxes	\$ 294,000	\$ 797,000
Income taxes (credit)	(19,000)	481,000
Net Income	\$ 313,000	\$ 316,000

* Included in Costs and Expenses, Depreciation and Amortization: \$643,000 in 1988 and \$595,000 in 1987.

Assets

As of June 30	1988	1987
Cash	\$ 2,129,000	\$ 2,567,000
Accts. receiv., net	7,451,000	7,166,000
Other receiv.	305,000	188,000
* Inventories	4,465,000	4,461,000
Prepaid expenses	323,000	152,000
Current Assets	\$ 14,673,000	\$ 14,534,000
Fixed assets	3,820,000	3,961,000
Defer. charges & other assets	253,000	268,000
Total Assets	\$ 18,746,000	\$ 18,763,000

Liabilities

Notes payable	\$ 3,853,000	\$ 3,570,000
Long-term debt, curr.	176,000	172,000
Deferred income taxes	—	395,000
Accts. payable	3,276,000	3,483,000
Accruals	1,143,000	1,132,000
Income taxes	88,000	11,000
Other curr. liabilities	470,000	—
Curr. Liabilities	\$ 9,006,000	\$ 8,763,000
Long-term debt	524,000	671,000
Deferred inc. taxes & other liab.	642,000	919,000
+ Common stock	143,000	143,000
Add. paid-in capital	958,000	958,000
Retained earnings	7,210,000	7,040,000
For. curr. trans. adjust.	263,000	269,000
Total Liabilities & Shareholders' Equity	\$ 18,746,000	\$ 18,763,000

* At lower of cost (LIFO & FIFO) or market.

† Less accumulated depreciation.

‡ \$0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.88	2.41
%Net Income to Sales	0.94	0.96
%Net Income to Equity	3.65	3.76
Sales to Inventories	7.48	7.34
Debt to Equity	0.53	0.52
Working Capital	\$ 5,771,000	\$ 5,771,000
Current Ratio	1.66	1.66
Shareholders' Equity	\$ 8,574,000	\$ 8,410,000

Gerber Products Company

445 State Street
Fremont, Michigan 49412
(616) 928-2000

Officers: David W. Johnson, chairman & chief executive officer; Alfred A. Piergallini, president & chief operating officer; Gerald F. Britt, exec. v.p.-administration and service companies; Robert L. Johnston, exec. v.p. & president-Gerber Products Division; Kenneth B. Pierce, exec. v.p. & gen. mgr.-Apparel Group; Fred K. Schomer, exec. v.p. & chief financial officer; Gordon D. Durkee, v.p.-accounting & tax; George A. Purvis, v.p.-research & development; Stephen R. Clark, general counsel; Yvonne A. Lee, secretary; Matthew Okkema, treasurer; Richard E. Dunning, asst. treasurer; Kristina Kiley, asst. secretary.

Directors: David W. Johnson, chairman; George M. Burditt, Robert B. Carlson, Harrington M. Cummings, J. Russell Fowler, Arthur J. Frens, Daniel F. Gerber, Richard L. McAuliffe, Carl G. Smith, Gloria S. Spitz, Raymond A. Weigel, Charles F. Whitten, Bonita W. Wyse.

Business Activities: Through its Apparel Group, the Company manufactures and markets children's underwear, knitwear, vinyl baby pants, fashion playwear, outerwear, hosiery, infantwear, bedding, sleepwear, cloth diapers, blanket sleepers, and sleep 'n' play sets. The Company's Gerber Products Division manufactures and markets baby food, and general merchandise including portable vaporizers and humidifiers, nurseries, nurse accessories, toys, and sundry nursery accessories and infant care items. The Company also operates 117 child care centers and engages in insurance activities.

Textile Trademarks and/or Brand Names: Buster Brown, Design of Dog (Tige), Weather Tamer, CURIITY®, Gerber, Gerber and Baby Head, Onesies, Twosies.

* Under a licensing agreement.

Textile Subsidiaries:

Apparel Group:

Gerber Childrenswear, Inc.

Boston, Massachusetts

Manufactures and markets infantwear, bedding, sleepers, cloth diapers and playwear.

Buster Brown Apparel, Inc.

Chattanooga, Tennessee

Manufactures and markets children's fashion playwear and hosiery.

Weather Tamer, Inc.

Chattanooga, Tennessee

Manufactures and markets children's outerwear including snow suits and snow pants, rainwear, jackets and knit accessories.

Bates Childrenswear, Inc.

Manufactures and markets children's sleepwear and playwear.

Kent, Inc.

Manufactures and markets children's blanket sleepers and sleep 'n' play sets.

Walter W. Moyer Company, Inc.

Manufactures and markets children's underwear garments.

Transfer Agent(s):

Harria Trust and Savings Bank
311 West Monroe Street, 11th Floor
Chicago, Illinois 60606

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: GEB

Sales & Earnings

	Net Sales \$	Net Income
1989	\$ 1,068,222,000	\$ 81,374,000
1988	965,650,000	21,181,000
1987	828,286,000	28,461,000
1986	754,851,000	45,495,000
1985	717,066,000	56,387,000

	No. of Com. Shares +	Earn. per Share +
1989	19,728,000	\$ 4.13
1988	19,717,000	1.07
1987	20,126,000	1.42
1986	20,401,000	2.23
1985	20,324,000	2.77

* Includes other revenues, of continuing operations only.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Gerber Prods. div.		
Food	\$ 527,594,000	\$ 452,512,000
General merchandise	70,973,000	72,677,000
Apparel group	353,124,000	341,486,000
Other	116,531,000	98,975,000
Total	\$ 1,068,222,000	\$ 965,650,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	\$ 1.47	—	—
1988	1.32	—	—
1987	1.32	—	—
1986	1.32	—	—
1985	1.16	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	\$ 330,370,000	\$ 17.35
1988	325,899,000	16.50
1987	328,788,000	16.70
1986	374,500,000	18.20
1985	349,884,000	17.24

Income Account *

	1989	1988
Year ended Mar. 31		
Net sales	\$ 1,068,222	\$ 965,650
Other income	9,087	7,050
Share of earn. of affil.	227	171
Total income	\$ 1,077,536	\$ 972,871
Cost of sales	658,179	623,652
Expenses	261,516	239,476
Prov. for closings	2,900	5,000
Interest expense	18,508	19,798
Income before taxes	\$ 136,433	\$ 84,945
Income taxes	51,059	32,380
Income from cont. oper.	\$ 83,374	\$ 52,565
Loss from discount oper.	(4,000)	(31,384)
Net Income	\$ 81,374	\$ 21,181

* Included in Costs and Expenses, Depreciation and Amortization: \$28,887,000 in 1988 and \$27,503,000 in 1987.

Assets (000's)

	1989	1988
As of Mar. 31		
Cash	\$ 33,758	\$ 5,298
Accts. receiv., net	113,651	109,356
*Inventories	177,307	170,133
Assets-discount oper.	—	78,538
Prepaid expenses	—	2,349
Current Assets	\$ 324,716	\$ 365,674
#Fixed assets	228,462	259,889
Other assets	144,008	141,647
Total Assets	\$ 697,186	\$ 767,210

Liabilities (000's)

	1989	1988
Short-term borrowings	\$ 6,506	\$ 46,190
Long-term debt, curr.	499	16,683
Accts. payable	50,884	47,621
Accrued payroll	29,509	22,735
Local taxes, interest & other	37,159	29,773
Income taxes	5,104	6,666
Policy claims & reserves	5,631	4,879
Liab.-discount oper.	7,114	37,685
Current Liabilities	\$ 142,406	\$ 212,232
Long-term debt	146,176	146,982
Deferred income taxes	38,312	39,622
Future policy benefits	35,534	28,526
Liab.-discount oper.	4,388	13,949
+Common stock	52,067	52,067
Add. paid-in capital	—	873
Retained earnings	371,459	319,584
For. curr. trans. adjust.	(2,004)	(1,996)
Treasury stock	(2,004)	(1,996)
Total Liabilities & Shareholders' Equity	\$ 697,186	\$ 767,210

* At lower of cost (LIFO & FIFO) or market.
Less accumulated depreciation and amortization.
+ \$2.50 par value.

Statistical Summary

% Net Income to Equity	24.63	6.50
Debt to Equity	0.46	0.64
Working Capital	\$ 182,310,000	\$ 153,442,000
Current Ratio	2.28	1.72
Shareholders Equity	\$ 330,370,000	\$ 325,899,000

The Gitano Group, Inc.

1411 Broadway
New York, New York 10018
(212) 819-0707

Officers: Morris Dabah, chairman & chief executive officer; Haim Dabah, president & chief operating officer; Ezra Dabah, vice chairman, executive committee; Isaac Dabah, vice chairman; Robert Reiss, exec. v.p.; Stanley A. Greenstein, sr. v.p. & chief financial officer; Gustave Birnberg, sr. v.p.; David Keery, v.p. & sr. financial officer; Steven M. Gerber, general counsel & secretary.

Directors: Morris Dabah, chairman; Haim Dabah, Ezra Dabah, Isaac Dabah, Gustave Birnberg, Michael Goldstein, Kevin W. Kennedy, Peter J. Mansbach, Norman S. Matthews, Robert Reiss, Laura J. Sloate.

Business Activities: Designs, manufactures and markets jeanswear and sportswear for men, women and children, intimate apparel for women, and other apparel, primarily under the Gitano name. Also operates 41 company-owned retail locations, under the Gitano name.

Trademarks and/or Brand Names: Gitano, Lines Gitano, Gloria Vanderbilt, Emporio Gitano, E.J. Gitano, P.S. Gitano.

Operating Units:

Gitano Women's Jeanswear

Gitano Women's Sportswear
E.J. Gitano Sportswear
Gitano Menswear
Gitano Intimate Apparel
Gloria Vanderbilt Women's Apparel
Gitano Retail Group
Gitano Licensees
Gloria Vanderbilt Licensees
Private Label Division

Transfer Agent(s):

Continental Stock Transfer & Trust Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: GIT

Sales & Earnings

	Net Sales	Net Income
1988	\$ 464,526,000	\$ 22,977,000
1987	365,993,000	16,866,000
1986	308,503,000	8,391,000
1985*	159,440,000	6,033,000

	No. of Com. Shares +	Earn. per Share +
1988	12,372,650	\$ 1.86
1987	11,835,655	1.43
1986	11,835,655	0.71
1985*	11,835,655	0.51

* 53 weeks.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1988	1987
Apparel	\$ 440,541,000	\$ 356,332,000
Retail	20,263,000	7,871,000
Licensing	3,722,000	1,790,000
Total	\$ 464,526,000	\$ 365,993,000

Common Stock Equity

	Total Equity \$	Equity Per Share
1988	\$ 95,539,000	\$ 6.88
1987	46,400,000	3.94
1986	29,522,000	2.52
1985	20,331,000	1.74

‡ After allowing for preferred stock at par value.

Income Account *

	1988	1987
Year Ended Dec. 31		
Net sales	\$ 464,526,000	\$ 365,993,000
Cost of sales	334,938,000	260,868,000
Expenses:		
Sell. & distr.	40,105,000	45,562,000
Gen. & adm.	21,687,000	17,884,000
Interest expense	15,569,000	10,379,000
Income before taxes	\$ 32,227,000	\$ 31,300,000
Income taxes	9,250,000	14,434,000
Net Income	\$ 22,977,000	\$ 16,866,000

* Included in Costs and Expenses, Depreciation and Amortization: \$4,203,000 in 1988 and \$2,941,000 in 1987.

The Gitano Group, Inc.

Assets		
As of Dec. 31	1988	1987
Cash	\$ 5,893,000	\$ 742,000
Accts. receiv., net	57,010,000	54,496,000
Refundable taxes	6,987,000	—
*Inventories	151,762,000	113,830,000
Prepaid expenses	7,647,000	4,916,000
Deferred inc. taxes	241,000	1,338,000
Current Assets	\$ 229,540,000	\$ 175,322,000
#Fixed assets	37,510,000	28,781,000
Permanent quota costs	3,373,000	2,667,000
Trademarks	16,779,000	1,745,000
Other assets	5,301,000	5,365,000
Total Assets	\$ 292,503,000	\$ 213,880,000
Liabilities		
Notes payable	\$ 27,288,000	\$ 11,453,000
Long-term debt, curr.	4,190,000	192,000
Accts. payable	31,745,000	31,160,000
Accruals	19,089,000	12,416,000
Income taxes	—	3,997,000
Bankers' accept. pay.	53,005,000	42,117,000
Due to affiliates	176,000	7,591,000
Cap. lease oblig., curr.	695,000	697,000
Current Liabilities	\$ 136,188,000	\$ 109,623,000
Notes payable	37,644,000	34,796,000
Subord. notes payable	5,892,000	4,190,000
Cap. lease oblig.	16,797,000	17,852,000
Deferred inc. taxes	—	729,000
+Preferred stock	288,000	288,000
+Common stock	1,392,000	1,319,000
Add. paid-in capital	36,681,000	—
Retained earnings	57,466,000	45,081,000
Total Liabilities & Shareholders' Equity	\$ 292,503,000	\$ 213,880,000

* At lower of cost (FIFO) or market.
 # Less accumulated depreciation and amortization.
 + \$50 par value; \$4 non-cumulative.
 ++ \$0.10 par value.

Statistical Summary

% Income bef. Taxes		
to Sales	6.94	8.55
% Net Income to Sales	4.95	4.61
% Net Income to Equity	23.98	36.12
Sales to Inventories	3.06	3.22
Debt to Equity	0.97	1.48
Working Capital	\$ 93,352,000	\$ 65,699,000
Current Ratio	1.69	1.60
Shareholders' Equity	\$ 95,827,000	\$ 46,688,000

W.R. Grace & Co.

Grace Plaza
 1114 Avenue of the Americas
 New York, New York 10036-7794
 (212) 819-5500

Officers: J. Peter Grace, chairman of the board, president & chief executive officer; Charles H. Erhart, Jr., chairman of the executive committee; J. P. Bolduc, vice chairman; Terrence D. Daniels, vice chairman; Paul D. Paganucci, vice chairman; Gerald G. Garbacz, executive vice president-specialty chemicals; Donald E. Grimm, executive vice president-natural resources; Robert W. Samuels, executive vice president-specialty chemicals; John F. Spellman, executive vice president-chief financial officer; Hugh L. Carey, executive vice president-environmental policy; F. Peter Boer, executive vice president-corporate technical group; J. Murfree Butler, sr. v.p.-specialty chemicals; Christian F. Horn, sr. v.p.-Grace ventures; George J. Winchell, sr. v.p.-specialty chemicals; Donald H. Kohnken, sr. v.p.-specialty chemicals; Pedro F. Mata, sr. v.p.-Grace cocoa; Brian J. Smith, sr. v.p.-corporate administration; Carl W. Lorentzen, sr. v.p.-specialty chemicals; Francis J. Brennan, sr. v.p. & treasurer; Gail Erickson, sr. v.p., general counsel & secretary; George N. McNair, sr. v.p. & general

counsel; Samuel J. Cerny, v.p.; Charles H. Ehlers, v.p.; James R. Gregath, v.p.; Fred E. Bennett, v.p.; William B. Sturgis, v.p.; Daniel P. Tucci, v.p.; John F. Williams, v.p.; Elwood S. Wood, v.p.; Lawrence G. Benson, v.p.; Edward G. Najjar, v.p.; Robert C. Walsh, v.p.; Brian B. Burns, v.p.; Edward T. Harvey, v.p.; Kenneth Y. Millan, v.p.; James F. Neaves, v.p.; Antonio R. Ferré, v.p.; Jean-Louis Greze, v.p.; Fred Lempereur, v.p.; James R. Smith, v.p.; August Umlauf, v.p.; Francois P. van Remoortere, v.p.; William L. Monroe, v.p.; James R. Hyde, v.p.; Noel A. Lee, v.p.; Shojiro Makino, v.p.; John P. McMillin, v.p.; Richard A. Zarler, v.p.; Frederick E. Bona, v.p.; George A. Hvidsten, v.p.; Susan A. Ollila, v.p.; James G. Stier, v.p.; W. Brian McGowan, v.p. & controller; Robert H. Beber, v.p.; Alan D. Fiers, v.p.; Bernd A. Schulte, v.p..

Directors: J. Peter Grace, chairman; F. Peter Boer, J. P. Bolduc, George C. Dacey, Terrence D. Daniels, Edward W. Duffy, Harold A. Eckmann, Charles H. Erhart, Jr., James W. Frick, Raymond C. Foster, Ronald H. Grierson, George P. Gardner, Jr., Constantine L. Hampers, George P. Jenkins, Carl W. Lorentzen, Robert C. Macauley, Frank E. Mackie, Jr., Roger Milliken, David G. Nancarrow, Paul D. Paganucci, John E. Phipps, William W. Prince, John A. Puelicher, Ellen W. Pyne, D. Walter Robbins, Jr., Robert W. Samuels, John F. Spellman, Grace Sloane Vance, David L. Yunich.

Textile Activities: Specialty textile operations include the manufacture of drapery, mattress ticking and upholstery fabrics under the Bekaert label in Europe and Australia. Specialty textile printing in the U.S.

Textile Trademarks and/or Brand Names: Bekaert.

General Business Activities: Processing cocons and chocolate; book, video-cassette and educational computer software distribution, cattle breeding services.

Chemical Activities: Specialty chemical operations encompass a broad range of products including container sealants and application equipment; auto exhaust catalysts for pollution control and petroleum cracking catalysts for the refining industry; flexible plastic packaging materials and equipment; printing blankets and letterpress plates from commercial and newspaper presses; concrete and mixtures and insulating materials, for construction; chelating agents and surfactants used in textile processing and soap manufacture; and water and waste treatment chemicals for industrial and municipal water systems.

Natural Resource Activities: Exploration, development and production of new domestic sources of energy—oil, gas and coal; specialized oil fields services and pulp and paper manufacturing.

Textile Divisions:

Bekaert Australia Pty. Ltd.
 Abbots Road
 Lyndhurst, Victoria, Australia

Bekaert Textiles N.V.
 21 Hoogmolenstraat
 B 8970 Waregem, Belgium
 Mattress ticking, textile wall coverings and upholstery fabrics.

Transfer Agent(s):

Manufacturers Hanover Trust Company
 Securityholder Relations
 P.O. Box 24935
 Church Street Station
 New York, New York 10249

Stock Exchange(s): New York, Midwest, Amsterdam, Basel, Frankfurt, Geneva, Hamburg, Lausanne, London, Paris, Zurich.

Ticker Symbol: GIRA (New York)

Sales & Earnings

	Net Sales † (000's)	Net Income † (000's)
1988	\$ 5,786,100	\$ 233,400
1987	4,515,400	173,100
1986	3,725,700	(472,300)
1985	3,553,200	146,900
1984	3,532,100	198,000
	No. of Com. Shares #	Earn. per Share # †
1988	84,629,000	\$ 2.75
1987	84,820,000	2.03
1986	84,078,000	—
1985	103,816,000	1.41
1984	103,346,000	1.91

(Loss)

† Includes operating revenues; of continuing operations only.

† Including extraordinary gain of \$12,600,000 (\$0.14 per share) in 1987.

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business (000's)

	1988	1987
Specialty chemicals	\$ 3,130,700	\$ 2,793,600
General business	1,650,100	1,333,600
Natural resources	440,900	388,200
Health care	564,400	—
Total	\$ 5,786,100	\$ 4,515,400

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	\$ 1.40	—	—
1987	1.40	—	—
1986	1.40	—	—
1985	1.40	—	—
1984	1.40	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡ (000's)	Equity † Per Share
1988	\$ 1,543,600	\$ 18.18
1987	1,455,800	17.31
1986	1,300,900	15.41
1985	2,394,200	21.70
1984	2,201,100	21.29

‡ After allowing for preferred stock at par value.

† Adjusted to reflect stock split.

Income Accounts (000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 5,786,100	\$ 4,515,400
Eq. in inc. of affil. cos.	23,000	20,400
Other income	71,300	58,500
Total income	\$ 5,880,400	\$ 4,594,300

Cost of sales	3,956,300	3,091,900
Expenses	1,039,400	795,600
Depreciation, depletion & amortization	281,200	228,900
Research & devel.	119,000	107,300
Interest expense	167,900	122,900
Income bef. taxes	\$ 316,600	\$ 247,700
Income taxes	124,600	105,800
Inc.-cont. oper.	\$ 192,000	\$ 141,900
Inc.-discont. oper.	36,700	18,600
Net Income	\$ 228,700	\$ 160,500
Extraord. gain	—	12,600
Cum. effect of acct. change	4,900	—

Net Income & extraord. gain	\$ 233,600	\$ 173,100
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Assets
(000's)

As of Dec. 31	1988	1987
Cash	\$ 132,700	\$ 151,400
Notes & accts. receiv., net	1,068,900	826,500
*Inventories	751,500	629,500
Net assets of discont. oper.	15,400	72,400
Other curr. assets	45,400	42,900
Current Assets	\$ 2,013,900	\$ 1,722,700
Net assets of discont. oper.	29,300	184,800
Investments & advances	140,500	197,100
*Fixed assets	2,028,300	1,701,000
Other assets	883,200	555,900
Intangibles	215,100	112,100
Total Assets	\$ 5,310,300	\$ 4,473,600

Liabilities
(000's)

Loans payable	\$ 307,500	\$ 148,400
Accts. payable	589,600	521,100
Income taxes	155,600	133,200
Other curr. liabilities	431,300	361,900
Current Liabilities	\$ 1,484,000	\$ 1,164,600
Long-term debt	1,509,100	1,222,500
Other liabilities	509,700	347,600
Deferred inc. taxes	84,400	101,400
Deferred income	172,000	174,200
+Preferred stock	7,500	7,500
++Common stock	85,200	84,700
Add. paid-in capital	38,300	41,100
Retained earnings	1,407,300	1,292,800
For. curr. adj.	25,700	64,700
Treasury stock	(12,900)	(27,500)

Total Liabilities & Shareholders' Equity	\$ 5,310,300	\$ 4,473,600
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* At lower of cost or market.

* Less accumulated depreciation and depletion.

+ \$100 par value.

++ \$1 par value.

Statistical Summary

%Net Income to Equity	14.74	10.97
Debt to Equity	1.17	0.94
Working Capital	\$ 529,900,000	\$ 558,100,000
Current Ratio	1.36	1.48
Shareholders' Equity	\$ 1,551,100,000	\$ 1,463,300,000

Officers: W.A. Heaslip, chairman, chief executive officer & president; G.A. Reynolds, v.p.-finance, secretary & treasurer; A.L. Lucas, president & chief operating officer; Grafton-Fraser Inc. & Elks Inc.; J.F. Seifert, chairman & chief executive officer-Seifert's; R.E. Vanderlinden, president-Seifert's; R.L. Holland, president & chief operating officer-Maher Inc.; M. Mewha, president-Toby Canada Inc.

Directors: William A. Heaslip*, William F. James, James W. McCutcheon*, H. John McDonald*, George A. Reynolds*, David B. Weldon*, Douglas C. Woolley.

* Member of the Executive Committee

Business Activities: Operates retail stores and departments, in Canada, selling men's and ladies' apparel under the names of Jack Fraser, Grafton & Co., The Loft, Sidefects, George Richards, Elks, Dapper Dan, Bimini, and Baja Beach Club. Also operates apparel departments in Woolco under a licensing arrangement and retail shoe stores under the names Maher, Copp, Julia, and Footpath, and through licensed departments, located throughout Canada. In the United States, the Company operates ladies-wear stores under the Seifert's, LaVogue by Seifert's, Mark Henri, and Seifert's Plus names in 26 states. Toby Industries Limited, a wholly owned subsidiary, manufactures quilted bedspreads, decorator pillows, fashion products for the bathroom, and other home furnishings products.

Trademarks and/or Brand Names: Martex, Lady Pepperell.

Divisions and Subsidiaries:

Grafton-Fraser, Inc.
Toby Industries Limited
Grafton Realty Company, Limited
Maher Inc.
James B. McGregor Division
Forsyth Trading Company Limited (joint venture; 26.67% interest)
Elks Inc. (66% owned)
Seifert's Incorporated
Nabour Stores Ltd.
Grafton & Co.
George Richards Kingsize Clothes Limited (50% owned)

Transfer Agent(s):

Central Guaranty Trust Company of Canada

Stock Exchange(s): Toronto

Ticker Symbol: GFG T

Sales & Earnings

	Net Sales †	Net Income +
1989	\$ 639,370,000	\$ 8,860,000
1988	627,729,000	(3,186,000)
1987	594,212,000	22,703,000
1986	504,008,000	26,373,000
1985	461,954,000	23,272,000

	No. of Com. Shares ‡	Earn. per Share +‡
1989	18,738,000	\$ 0.40
1988	18,738,000	—
1987	18,738,000	1.13
1986	18,738,000	1.32
1985	18,738,000	1.16

(Loss)

† Of continuing operations only.

+ Including extraordinary gains of \$526,000 (\$0.03 per share) in 1989, \$127,000 (\$0.01 per share) in 1987, \$886,000 (\$0.04 per share) in 1986 and \$728,000 (\$0.04 per share) in 1985.

‡ Based on the weighted average number of Class A and common shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Retail:		
Apparel	\$ 547,319,000	\$ 540,691,000
Footwear	75,842,000	69,803,000
Home furnishings	16,209,000	17,235,000
Total	\$ 639,370,000	\$ 627,729,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	\$ 0.32	—	—
1988	0.32	—	—
1987	0.30	—	—
1986	0.23	—	3-for-1
1985	0.21	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity #	Equity Per Share ‡
1989	\$ 132,956,000	\$ 7.10
1988	135,056,000	7.21
1987	147,485,000	7.87
1986	132,368,000	7.06
1985	108,461,000	5.79

After allowing for preferred stock at redemption value.
‡ Based on the weighted average number of Class A and common shares outstanding adjusted to reflect stock split.

Income Account
(000's)

Year ended Jan. 31	1989	1988
Net sales:		
Retail	\$ 623,161	\$ 610,494
Home furnishings	16,209	17,235
Total income	\$ 639,370	\$ 627,729
Cost of sales & expenses	541,803	540,082
Rental expense	65,701	62,554
Depreciation	15,494	14,247
Amortization of cost	474	777
Interest expense	9,721	7,568
Other income	(4,137)	(4,260)
For. curr. gain	(61)	(277)
Gain on sale of secur.	(555)	(148)
Prov. for loss on oil prop.	901	759
Gain on sale of land & bldg.	(745)	—
Income before taxes	\$ 10,774	\$ 6,427
Income taxes (credit)	3,589	(617)
Minority interest	(429)	(356)

Inc.-cont. oper.	\$ 7,614	\$ 7,400
Inc. (loss)-discont. oper.	720	(10,586)
Net Income (Loss)	\$ 8,334	\$ (3,186)
Extraordinary gain	526	—
Net Income (Loss) & extraord. gain	\$ 8,860	\$ (3,186)

Assets
(000's)

As of Jan. 31	1988	1987
Cash	\$ 52,068	\$ 21,757
Marketable securities	26,190	32,789
Accts. receiv., net	31,694	26,254
Receiv. inc. taxes	8,704	6,354
Deferred income taxes	2,355	4,074
*Inventories	96,027	81,284
Prepaid exp. & deposits	3,127	2,594
Current Assets	\$ 220,165	\$ 175,106

Grafton Group Limited

(51% of the common shares owned by Greywinds Investments Limited)

9 Sunlight Park Road
P.O. Box 108, Postal Station G
Toronto, Ontario, M4M 3G1, Canada
(416) 461-9411

Grafton Group Limited

Investments	14,371	15,441
#Fixed assets	77,412	73,571
Unamort. fin. costs	83	102
Intangibles	11,471	12,573
Total Assets	\$ 323,502	\$ 276,793

Liabilities (000's)		
Long-term debt	\$ 564	\$ 622
Cap. lease oblig., curr.	997	995
Bank advances	2,609	—
Accts. payable & accruals	123,804	71,873
Income & other taxes	881	884
Curr. Liabilities	\$ 128,855	\$ 74,374
Long-term debt	33,687	37,309
Cap. lease oblig.	3,865	5,140
Minority interest	3,383	3,889
Deferred inc. taxes	3,611	3,231
+Preferred stock	1,626	1,690
++Class A shares	6,483	6,483
+++Common stock	1,621	1,621
For. curr. adj.	(1,822)	1,735
Retained earnings	142,193	141,321
Total Liabilities & Shareholders' Equity	\$ 323,502	\$ 276,793

* Retail inventories at lower of cost or market and net realizable value, less normal profit margin. Raw materials at lower of cost and replacement cost.

Less accumulated depreciation.

+ No par value; \$3 cumulative.

++ No par value; non-voting.

+++ No par value.

Statistical Summary

%Net Income to Equity	5.55	—
Sales to Inventories	6.66	7.72
Debt to Equity	0.26	0.29
Working Capital	\$ 91,310,000	\$ 100,732,000
Current Ratio	1.71	2.35
Shareholders' Equity	\$ 150,101,000	\$ 152,850,000

Guilford Mills, Inc.

4925 W. Market Street
Greensboro, North Carolina 27407
(919) 292-7550

180 Madison Avenue
New York, New York 10016
(212) 684-2300

Officers: Charles A. Hayes, chairman & chief exec. officer; George Greenberg, president & chief operating officer; Lee Rosenberg, sr. v.p.; Paul R. McGarr, v.p.-finance; Stanley J. Mackney, sr. v.p.; Bernard Fleisher, exec. v.p.; James F. Watts, Jr., v.p.-administration; Donald L. Park, treasurer; Robert T. Spillane, v.p.-research & development; George T. Stansell, v.p.-engineering; Sherry R. Jacobs, v.p., general counsel & secretary; Richard S. Roberts, v.p.-manufacturing; Nathan M. Dry, v.p.-technical operations.

Directors: Charles A. Hayes, chairman; Peter A. Brooke, Maurice Fishman, George Greenberg, Lester A. Lazarus, Paul R. McGarr, Sherry Jacobs, Bryan Lodder, Donald B. Dixon.

Business Activities: Develops, knits, dyes, prints, finishes, markets and sells warp knitted fabrics. Also knits synthetic yarns, principally nylon, polyester, Arnel and acetate into a variety of fabric for the sleepwear, loungewear and lingerie markets, the dress and sportswear markets, home furnishings, and the industrial and consumer markets; also engaged in finishing, dyeing and converting operations.

Trademarks and/or Brand Names: Ultraviolet, Luv-touch, Charmant, Ultrilure, Flannel-Flannel II, Natur, Liberty Velle, Terry Velour, Showtime, Sof-Touch, Fahr-einheit, Voyant, GuilRiche, Cheminille, Warmth Rated, Polysuede, Starlure, Guil-lure, Resolution III, Intima, Sew 'n Tell, Slumber One, Terry Mate, Cuddle Fleece, Poly One, Cancel Stat, Iron Velvet, Slumber Mate, Ul-

tranelle, Chemstitch, Activa II, FR Chem-Free, Knit One, Natur Plus, Duravel, Encore, Status, Regency, Thermo-Quilt, Metalon, Dynasty One, Original Gimmer, Country Gentlemen, Gossamer, Van Gard, Auto Tex, Cavlon, Plush Life, Yukon TF, Lycra.

Plant Locations:

Greensboro, North Carolina (4)
Kenansville, North Carolina
Lumberton, North Carolina
Fuquay-Varina, North Carolina
Gainesville, Georgia
Augusta, Georgia
Pine Grove, Pennsylvania (2)

Divisions and Subsidiaries:

Guilford Kapwood, Limited
Cotes Park
Somercotes, Derbyshire DE554NJ, England

Gilbert Frank
16 East 34th Street
New York, New York 10016
(212) 213-4200

Rouquinet Deroy Limited
Daleside Road, Meadow Lane
Nottingham NG23GH, United Kingdom

Guilford Prints
1660 Dixon Airline Road
Augusta, Georgia 30906
(404) 798-4568

Guil Knits
180 Madison Avenue
New York, New York 10016
(212) 684-2300

Guilford Fibers
4925 West Market Street
Greensboro, North Carolina 27407
(919) 292-7550

FFF Industries, Inc.
Fuquay Varina, North Carolina
Manufactures denier polyester and nylon yards and warp knit fabrics.

Transfer Agent(s):

The First National Bank of Boston
Shareholder Services Division
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: GFD

Sales & Earnings

	Net Sales	Net Income †
1988*	\$ 578,284,000	\$ 26,712,000
1987	539,150,000	23,913,000
1986	504,475,000	20,785,000
1985	443,948,000	18,728,000
1984	456,927,000	24,294,000
	No. of Com. Shares ‡	Earn. per Share ‡ †
1988	10,159,000	\$ 2.63
1987	10,582,000	2.26
1986	10,533,000	1.97
1985	10,524,000	1.78
1984	10,314,000	2.36

* 53 weeks.

† Including extraordinary gains of \$300,000 (\$0.03 per share) in 1987, \$900,000 (\$0.08 per share) in 1986 and \$700,000 (\$0.07 per share) in 1985.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1988	\$ 0.80	—	—
1987	0.60	—	—
1986	0.54	—	5-for-4
1985	0.54	—	—
1984	0.43	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1988	\$ 191,680,000	\$ 18.87
1987	190,749,000	18.03
1986	172,004,000	16.33
1985	153,997,000	14.63
1984	141,088,000	13.68

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account * (000's)

Year ended June 30	1988 (53 weeks)	1987
Net sales	\$ 578,284	\$ 539,150
Cost of sales	467,746	433,831
Expenses	64,086	57,336
Interest expense	9,093	6,506
Interest income	(3,001)	(1,219)
Other income	(1,152)	(1,117)
Income before taxes	\$ 41,512	\$ 43,813
Income taxes	14,800	20,200
Net Income	\$ 26,712	\$ 23,613
Extraord. gain	—	300
Net Income & extraord. gain	\$ 26,712	\$ 23,913

* Included in Costs and Expenses, Depreciation and Amortization: \$19,348,000 in 1988 and \$18,001,000 in 1987.

Assets (000's)

As of June 30	1988	1987
Cash & short term investments	\$ 29,913	\$ 43,413
Receiv., net	125,186	123,561
*Inventories	87,055	86,732
Prepaid expenses	4,897	4,105
Current Assets	\$ 247,051	\$ 257,811
#Fixed assets	116,172	101,728
Other assets	16,991	19,379
Total Assets	\$ 379,314	\$ 378,918

Liabilities (000's)

Long-term debt, curr.	\$ 4,321	\$ 3,706
Short-term borrowings	7,789	11,274
Accts. payable	35,103	31,076
Accrued payroll	6,520	6,064
Accrued income taxes	1,179	4,570
Other accruals	8,250	6,708
Curr. Liabilities	\$ 63,162	\$ 63,398

Long-term debt	100,427	105,795
Deferred inc. taxes	11,188	9,340
Other deferred liab.	12,857	9,636
+Common stock	262	262
Add. paid-in capital	21,677	21,673
Retained earnings	194,881	176,274
Foreign curr. trans.	742	(433)
Treasury stock	(25,882)	(7,027)

Total Liabilities & Shareholders' Equity	\$ 379,314	\$ 378,918
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* At lower of cost (LIFO) or market.

Less accumulated depreciation and amortization.

+ \$0.02 par value

Statistical Summary

%Income bef. Taxes to Sales	7.18	8.13
%Net Income to Sales	4.62	4.38
%Net Income to Equity	13.94	12.38
Sales to Inventories	6.64	6.22
Debt to Equity	0.59	0.65
Working Capital	\$ 183,889,000	\$ 194,413,000
Current Ratio	3.91	4.07
Shareholders' Equity	\$ 191,680,000	\$ 190,749,000

Sales & Earnings

	Net sales	Net Income
1987	\$ 164,053,621	\$ 3,934,145
1986	160,795,843	5,105,860
1985	157,012,537	3,222,810
1984	162,855,462	4,403,829
1983	130,730,335	2,737,513

	No. of Com. Shares †	Earn. per Share ‡
1987	3,716,992	\$ 1.05
1986	3,713,424	1.36
1985	3,713,424	0.85
1984	3,747,149	1.16
1983	3,847,882	0.70

§ Based on the weighted average number of common and Class A shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	10%	—
1986	—	10%	—
1985	—	10%	—
1984	—	10%	—
1983	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	\$ 47,993,471	\$ 12.91
1986	45,007,337 †	12.12
1985	39,963,535 †	10.76
1984	36,801,372 †	9.82
1983	33,448,342 †	8.68

† After allowing for preferred stock at par value.

‡ Based on the weighted average number of common and Class A shares outstanding adjusted to reflect stock dividends.

Income Account *

Year ended	12/26/87	12/27/86
Net sales	\$ 164,053,621	\$ 160,795,843
Cost of sales	132,446,714	127,586,682
Expenses	21,371,236	20,279,509
Interest expense	3,269,206	3,079,892
Income before taxes	\$ 6,966,445	\$ 9,849,760
Income taxes	3,032,300	4,743,900
Net Income	\$ 3,934,145	\$ 5,105,860

* Included in Costs and Expenses, Depreciation and Amortization: \$2,515,654 in 1987 and \$2,252,854 in 1986.

Assets

As of	12/26/87	12/27/86
Cash	\$ 489,381	\$ 833,943
Accts. receiv., net	27,722,117	21,572,927
*Inventories	40,994,120	39,079,157
Prepaid expenses	677,825	411,263
Current Assets	\$ 69,883,443	\$ 61,897,290
±Fixed assets	26,479,015	25,504,793
Other assets	184,463	994,686
Total Assets	\$ 96,546,921	\$ 88,396,769

Liabilities

Notes payable	\$ 4,838,506	—
Long-term debt, curr.	1,285,357	995,004
Accts. payable	7,775,411	8,565,083
Accruals	3,846,695	3,870,077
Income taxes	703,016	996,559
Curr. Liabilities	\$ 18,448,985	\$ 14,426,723

Long-term debt	28,123,365	26,639,459
Deferred inc. taxes	1,981,100	1,487,300
+Preferred stock	—	835,950
+Common stock	3,900,910	3,546,494
Add. paid-in capital	21,164,755	16,569,849
Retained earnings	25,490,822	25,969,721
Treasury stock	(2,563,016)	(1,078,727)
Total Liabilities	\$ 96,546,921	\$ 88,396,769

* At lower of cost (LIFO) or market.

Less accumulated depreciation and amortization.

+ \$100 par value; \$7 cumulative.

++ \$1 par value

Statistical Summary

%Income bef. Taxes to Sales	4.25	6.13
%Net Income to Sales	2.40	3.18
%Net Income to Equity	8.20	11.14
Sales to Inventories	4.00	4.11
Debt to Equity	0.71	0.60
Working Capital	\$ 51,434,458	\$ 47,470,567
Current Ratio	3.79	1.03
Shareholders' Equity	\$ 47,993,471	\$ 45,843,287

Hanson Plc

1 Grosvenor Place
London SW1X 7JH, England
(01) 245-1245

Directors: Lord Hanson, chairman; D. N. Rosling, vice chairman; M. G. Taylor, vice chairman; B. A. Hellings, A. Hagdrup, A. G. L. Alexander, C. G. F. Harding, J. H. Pattison, D. C. Bonham, Sir Gordon Booth, H. G. Ashton, D. H. Clarke, associate director; A. R. Cotton, associate director; P. J. Harper, associate director; R. S. Fulford, associate director.

Business Activities: In the textile area, the Company manufactures cotton and cotton blends for fleecewear, sweaters and men's undergarments, knit lace and tricot fabric products, and yarn. In addition, the Company manufactures portable electronic typewriters and word processors, incandescent and fluorescent lighting fixtures, jacuzzis, automotive heaters and air-conditioning systems, domestic credit gas meters, living flame gas fires and gas fired wall heaters, wiring accessories and circuit breakers, dry cell batteries; moulded components, custom machined parts, and powdered metals and specialty materials, all for the automotive industry; production equipment for the oil and gas industries, cement, footwear, tobacco, bricks, lumber, wood windows and doors, garden and industrial tools, office furniture, metal snap fasteners, paper forms and supplies, pre-engineered metal buildings, food products, and titanium dioxide, a white pigment used in the manufacture of a variety of products. The Company also operates Alders Department Stores in the United Kingdom, 215 Ground Round restaurants in the United States, and duty- and tax-free shops at airports in Canada and Australia.

Textile Subsidiaries:

Carisbrook Industries Inc. (Yarn)
1114 Avenue of the Americas
New York, New York 10036
(212) 398-1180
Yarns, soft furnishings and apparel.

Carisbrook Industries Inc. (Fabric)
1185 Avenue of the Americas
New York, New York 10036
(212) 536-0200

Specialty fabrics and textile finishing machinery.

Native Textiles

Manufactures knit lace and tricot fabric products.

Franklin and Templeton

Process dyers and spinners of yarns.

Other Subsidiaries:

CONSUMER-U.K.

Hampton Industries, Inc.

2000 Greenville Highway
P.O. Box 614
Kinston, North Carolina 28502
(919) 527-8011

Officers: David Fuchs, chairman & chief executive officer; Sol Schechter, president; Roger Eichel, secretary; Paul L. Chused, v.p.-operations & asst. secretary; Andrew Chused, treasurer & asst. secretary; Martin Camnitz, exec. v.p.; Robert J. Stiehl, Jr., v.p.-finance; Ronald L. Mueller, v.p.-mgt. info. systems; David M. Levitan, Herbert L. Ash, asst. secretaries.

Directors: David Fuchs, chairman; Sol Schechter, Paul Chused, Robert B. Patteson, Jr., David M. Levitan.

Business Activities: Engaged in the manufacture, importing and marketing of men's, girl's and boy's shirts and pajamas, women's blouses, sweaters, jackets, and sportswear coordinates.

Trademarks and/or Brand Names: J.G. Hook for Boys, J.G. Hook for Girls, Two East, Shirt Street, McGregor for Boys, Hampton Shirt, Hampton Pajama & Robes, Hampton East Sportswear, Hampton Girl, Break Away, Hampton, Walt Wear Apparel, Prepshirt.

Plant Location(s): Kinston, Snow Hill, Washington, Wilson & Greenville, North Carolina; Martinsville, Chatham & Chase City, Virginia.

Subsidiaries:

Prepshirt, Inc.
Samsons, Inc.
Sams Manufacturing Corp.
Kinston Shirt Company
Kinston Die Cutting Corp.
Prepshirt Mfg. Corp.
Kinston Paper Box Co., Inc.
Hampso Apparel, Inc.
Hampton Shirt Co., Inc. (New York)
Hampton Shirt Co., Inc. (North Carolina)
Snow Hill Apparel Co., Inc.
Hampdex, Inc.

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: HAI

Hanson Plc

Imperial Tobacco Limited
P.O. Box 244
Hartcliffe, Bristol, BS99 7UJ, England
(0272) 781111
Cigarettes, cigars, pipe and hand-rolling tobacco.

British Ever Ready Limited
93 Burleigh Gardens
Southgate, London, N14 5AQ, England
(01) 882-8661
Dry cell batteries.

Alders Limited
84 Southampton Road
Eastleigh, Hants, England
(0703) 644599
Operates department stores and duty- and tax-free shops.
CONSUMER-U.S.A.

Smith Corona Corporation
65 Locust Avenue
New Canaan, Connecticut 06840
(203) 972-1471
Portable typewriters and word processors.

Hanson Housewares Group
3 Speen Street
Suite 350
Farmington, Massachusetts 01701
(508) 872-6514
Farberware cookware and small kitchen appliances;
Tucker plastic housewares; Rexair vacuum cleaners; Spar-
tus clocks; Teters artificial floral products.

Hanson Recreation and Leisure Group
4600 Southwest 41st Boulevard
Gainesville, Florida 32601
(904) 376-6115
Tommy Armour golf equipment and apparel; Universal
physical conditioning and weight training equipment; Val-
ley pool tables and electronic dart games; Bear archery
equipment; Ertl die cast toys and model kits.

Endicott Johnson Corporation
1100 East Main Street
Endicott, New York 13760
(607) 757-4000
Manufactures and retails a wide range of footwear.
BUILDING PRODUCTS-U.K.

London Brick Company Limited
Marston Road, Marston Morteyne
Bedford MK43 0PP
(0525) 405858
Fletton bricks.

Butterley Brick Limited
Wellington Street
Ripley, Derby DE5 3DZ
(0773) 570570
Non-fletton bricks.

BUILDING PRODUCTS-U.S.A.

Hanson Lighting Group
1251 Doolittle Drive
San Leandro, California 94577
(415) 562-3500
Fluorescent and incandescent lighting products.

Kaiser Cement Corporation
350 Lakeside Drive
Oakland, California 94612
(415) 271-2000
Cement and aggregate products.

Hanson Building Products
Camden and Broadway Avenues
Parkersburg, West Virginia 26101
(304) 424-3000
Windows, building materials, garden and industrial hand
tools.

INDUSTRIAL-U.K.

Lindström Limited
Southgate House
Stevenage, Herts SG1 1HQ
(0438) 365461
Electrical, automotive, engineering and gas products.

SLD/Barbour Campbell
Southgate House
Stevenage, Herts SG1 1HQ
(0438) 728387
Textile products and construction services.

Hanson Engineering
Southgate House
Stevenage, Herts SG1 1HQ
(0438) 742225
Engineering and heating appliance companies including
Berry Magicoal and Robinson Willey.
INDUSTRIAL-U.S.A.

Office Group America
114 Churchill Avenue, N.W.
Leeds, Alabama 35094
(205) 699-5181
Office furniture.

SCM Chemicals Inc.
7 Saint Paul Street, Suite 1010
Baltimore, Maryland 21202
(301) 783-1120
Pigments and related chemicals.

SCM Chemicals Limited (UK)
P.O. Box 26, Grimsby
South Humberdale DN37 8DP
(0469) 571000
Pigments.

Hanson Office Products Dealer Group
35 Melrose Lane
Whippany, New Jersey 07981
(201) 386-8900
Furniture and office supply distribution.

Grove Manufacturing Company
1565 Buchanan Trail E.
Shady Grove, Pennsylvania 17256
(717) 597-8121
Mobile hydraulic and truck mounted cranes; aerial ac-
cess equipment.

Weber Aircraft Inc.
2820 Ontario Street
Burbank, California 91504
(818) 648-5543
Aircraft seating and interior galleys and lavatories.
FOOD-U.K.

Imperial Foods Limited
22 Stewartby Way
Stewartby, Bedford MK43 9LZ
(0234) 768633
Confectionery and health products.
FOOD-U.S.A.

Hygrade Food Products Corporation
26877 Northwestern Highway, Suite 400
Southfield, Michigan 48034
(313) 355-1100
Processed meats.

The Ground Round Inc.
541 Main Street
South Weymouth, Massachusetts 02910-1898
(617) 331-7005
Family restaurants.

Transfer Agent(s):*

Citibank, N.A.
ADR Department
111 Wall Street, 5th Floor
New York, New York 10043
* American Depositary Receipt.

Stock Exchange(s): London, New York*, Zurich, Basel,
Geneva, Paris.

Tickler Symbol: HAN (New York)* * Trades as an Ameri-
can Depositary Receipt (ADR). Each ADR represent 5
Hanson ordinary shares.

Sales & Earnings

	Net Sales (000's)	Net Income †† (000's)
1988	£ 7,396,000	£ 880,000
1987	6,682,000	771,000
1986	4,312,000	464,000
1985	2,674,000	253,000
1984	2,382,000	169,000
	No. of Com. Shares ‡	Earn. per Share ‡ #
1988	3,826,437,207	15.9p
1987	3,577,232,668	14.0
1986	N.A.	10.7
1985	N.A.	7.9
1984	N.A.	5.7

£ - pound sterling.

N.A. - Not Available.

† Before taxes.

+ Including extraordinary gains of £ 445,000,000 in 1988

and £ 5,000,000 in 1986.

‡ Based on the weighted average number of common shares

and common share equivalents outstanding.

Fully diluted.

Revenues by Line of Business (000's)

	1988	1987
U.K.:		
Consumer	£ 3,190,000	£ 3,200,000
Bldg. products	309,000	246,000
Industrial	507,000	375,000
Food	190,000	182,000
U.S.A.:		
Consumer	804,000	528,000
Bldg. products	641,000	408,000
Industrial	1,335,000	620,000
Food	420,000	398,000
Discontinued operations	—	725,000
Total	\$ 17,396,000	£ 6,682,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	6.8p	—	—
1987	4.4	—	—
1986	3.2	—	—
1985	1.8	—	—
1984	2.4	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1988	£ 2,339,000	61.1p
1987	1,879,000	2.5
1986	1,588,000	—
1985	1,125,000	—
1984	411,000	—

‡ Based on the weighted average number of common shares
and common share equivalents outstanding.

Income Account (000's)

Year ended Sept. 30	1988	1987
Net sales	£ 7,396,000	£ 6,682,000
Changes in inventories	115,000	12,000
Raw materials	4,301,000	4,243,000
Employment costs	1,169,000	911,000
Depreciation	127,000	105,000
Other charges	888,000	767,000
Share of profits of rel. cos.	(6,000)	(7,000)
Interest expense	287,000	300,000
Interest income	(365,000)	(390,000)
Income before taxes	£ 880,000	£ 741,000

Income taxes	204,000	169,000
Net Income	£ 676,000	£ 572,000
Extraord. gain	445,000	—
Net Income & extraord. gain	£ 1,121,000	£ 572,000
Assets		
(000's)		
As of Sept. 30	1988	1987
Cash	£ 3,818,000	£ 2,980,000
*Stocks	1,071,000	832,000
Debtors	1,227,000	1,123,000
Listed investments	42,000	79,000
Current Assets	£ 6,158,000	£ 5,014,000
Investments	178,000	178,000
#Fixed assets	1,476,000	1,183,000
Total Assets	£ 7,812,000	£ 6,375,000
Liabilities		
(000's)		
Debtenture loans	£ 102,000	£ 109,000
Bank loans & overdrafts	774,000	574,000
Trade creditors	457,000	353,000
Other creditors	934,000	935,000
Dividends	196,000	112,000
Curr. Liabilities	£ 2,463,000	£ 2,083,000
Convertible loans	930,000	1,073,000
Debtenture loans	226,000	256,000
Bank loans	968,000	398,000
Provisions for liab.	886,000	686,000
+Preferred stock	147,000	149,000
++Common stock	957,000	894,000
Add. paid-in capital	145,000	25,000
Revaluation reserve	218,000	17,000
Retained earnings	872,000	794,000
Total Liabilities & Shareholders' Equity	£ 7,812,000	£ 6,375,000

* At lower of cost (FIFO) and net realizable value.
 # Less accumulated depreciation.
 + £ 1 par value; 5.75% convertible cumulative redeemable.
 ++ 25¢ par value.

Statistical Summary

%Income bef. Taxes		
to Sales	11.90	11.09
%Net Income to Sales	9.14	8.56
%Net Income to Equity	28.90	30.44
Sales to Inventories	6.91	8.03
Debt to Equity	1.28	1.28
Working Capital	£3,695,000,000	£2,931,000,000
Current Ratio	2.50	2.41
Shareholders' Equity	£2,339,000,000	£1,879,000,000

Hartmarx Corporation

101 North Wacker Drive
 Chicago, Illinois 60606
 (312) 372-6300

Officers: John R. Meinert, chairman & chief administrative officer; Albert O. Hand, president & chief operating officer; Harvey Weinberg, vice chairman & chief exec. officer; Jerome Dorf, sr. v.p. & chief financial officer; Frank A. Brenner, v.p.-marketing services; Ralph Kaufmann, v.p.-licensing; James E. Condon, v.p. & treasurer; Sherman D. Rosen, v.p.-human resources; Guy Gunzberg, v.p.-information systems; Glenn R. Morgan, v.p. & controller; Ralph Kaufmann, v.p.-licensing; Carey M. Stein, v.p., secretary & gen. counsel.

Directors: Jerome S. Gore *, John R. Meinert, Donald P. Jacobs *, Raymond F. Farley *, Sam F. Segnar *, Burton B. Ruby *, Charles Marshall *, A. Robert Abboud *, James E. Devitt *, Harvey A. Weinberg, Albert O. Hand, Letitia Baldridge *.

* Member of the Executive Committee

Business Activities: Company labels range from the top-of-the-line Hickey-Freeman Gieves & Hawkes, and Walter-Morton, with suits retailing for \$600+, to Johnny Carson and Kuppenheimer, with suits ranging from \$150 to \$250. Hart Schaffner & Marx and other brands fall between these price points.

These brands include Christian Dior, Pierre Cardin, Nino Cerruti, Austin Reed of Regent Street, Racquet Club, Graham & Gunn, Society Brand, Ltd., H. Oritsky, Sansabelt Suits, Allyn St. George, Walter Morton, Briar, Gieves & Hawkes, New Bond Street, Confezioni Riserva, Luciano Franzoni, and Henry Grethel.

In the area of women's apparel manufacturing, Country Miss apparel is targeted for segments of the market for coordinated sportswear and sport dresses for the moderate and better, updated customer. Country Miss labels include Country Suburbans, Sterling & Hunt, Handmacher, Weatherlane, Suburban Petites, Weatherlane Petites, and Color Me Beautiful.

The Jaymar-Ruby, Inc. subsidiary manufactures men's apparel under the Jaymar, Sansabelt, and Racquet Club labels, and women's apparel under the Lady Sansabelt label.

Gleneagles manufactures rainwear for men and women and men's fashion outerwear, jeans and casual slacks. The Gleneagles division sells products under the Gleneagles, Hart Schaffner & Marx, Christian Dior and Jack Nicklaus labels.

Trademarks and/or Brand Names: Hart Schaffner & Marx, Ruby Ltd., JaySport, Jack Nicklaus, Christian Dior, Society Brand, Ltd., Graham & Gunn, Ltd., Sterling & Hunt, Fashionaire, Austin Reed of Regent Street, Allyn St. George, Nino Cerruti, Johnny Carson, Hickey-Freeman, Walter-Morton, Gleneagles, Jaymar, Sansabelt, Cesarani, Country Miss, Country Suburbans, Handmacher, Weatherlane, Gieves & Hawkes, Kuppenheimer, Pierre Cardin, Henry Grethel, Racquet Club, Briar, York, Nicola Mancini, Careermaxx, H. Oritsky, Thorngate Uniforms, Color Me Beautiful, Lady Sansabelt, Confezioni Riserva Luciano Franzoni, Escadrille, Bobby Jones, Walter Morton.

Divisions and Subsidiaries:

Manufacturing Group

Austin Reed of Regent Street
 Christian Dior
 Society Brand Ltd.
 Graham & Gunn Ltd.
 Fashionaire Apparel, Inc.
 Hart Schaffner & Marx Clothes
 Jack Nicklaus
 Henry Grethel Apparel
 Sterling & Hunt
 all located at:

101 North Wacker Drive
 Chicago, Illinois 60606
 Plants located: Chicago, Des Plaines & Rock Island, Illinois; Cape Girardeau & Chaffee, Missouri; Rochester, Indiana; Winchester, Kentucky; and Hialeah, Florida.

Hickey-Freeman Co., Inc.
 1155 Clinton Avenue, North
 Rochester, New York 14621
 Plant located: Rochester, New York.

Johnny Carson Apparel, Inc.
 2020 Elmwood Avenue
 Buffalo, New York 14207

Jaymar-Ruby, Inc.
 5000 South Ohio Street
 Michigan City, Indiana 46360
 Plants located: Michigan City & East Chicago, Indiana; Anniston & Gadsden, Alabama; Elizabethtown, Kentucky; Rector, Arkansas.

Country Miss, Inc. (92% owned)
 Tatamy & Kesslersville Road
 P.O. Box 769
 Easton, Pennsylvania 18042
 Plants located: Easton, Pennsylvania; Glasgow, Kentucky; Bristol, Virginia; Cookeville, Tennessee; Waterboro, South Carolina; Carrollton, Alabama.

Intercontinental Branded Apparel, Inc.
 888 7th Avenue
 New York, New York 10019
 Plants located: Buffalo & Dunkirk, New York; Whiteville, North Carolina.

Gleneagles, Inc.
 808 Gleneagles Court
 Baltimore, Maryland 21204
 Plants located: Baltimore & Bel Air, Maryland.

Kuppenheimer Men's Clothiers
 Plants located: Wellston, Ohio; Loganville, Decatur & Norcross, Georgia; Hialeah, Florida.

Thorngate Uniforms, Inc.
 2 DeKalb Street
 Norristown, Pennsylvania 19401
 Plant located: Norristown, Pennsylvania.

Yorke Shirt Co.
 Plants located: Belton & Anderson, South Carolina.

H. Oritsky
 Plant located: Reading, Pennsylvania.

Briar, Inc.
 Los Angeles, California
 Manufacturer of men's ties and related jewelry.
 Hartmarx Specialty Stores, Inc.

Baskin
 Operates 17 stores in Illinois and Wisconsin.

Ray Beers
 Topeka, Kansas

Capper & Capper, Ltd.
 Operates three stores in Illinois.

Field Bros.
 New York, New York
 Operates seven stores in New York and New Jersey.

Arthur Frank
 Salt Lake City, Utah
 Operates two stores in Utah.

Frank Bros.
 San Antonio, Texas
 Operates three stores in Texas.

Hanny's
 Phoenix, Arizona
 Operates five stores in Arizona.

Antons
 Detroit, Michigan
 Operates nine stores in Michigan.

Hastings
 Operates 10 stores in California.

Jack Henry
 Kansas City, Missouri
 Operates four stores in Missouri and Kansas.

Heyward-Mahon
 Greenville, South Carolina
 Operates one stores in South Carolina.

J.O. Jones
 Operates two stores in Charlotte & Raleigh, North Carolina.

Kleinhaus
 Buffalo, New York
 Operates 11 stores in New York.

Klopfenstein's
 Operates 13 stores in Washington, Oregon, and Alaska.

Raleighs
 Operates 13 stores in Maryland, Virginia, and the District of Columbia.

Boyd's
 Operates three stores in Missouri.

Leopold, Price & Rolle
 Houston, Texas
 Operates 12 stores in Texas.

Corporate Woman
 Operates two stores in Texas.

Graham & Gunn Ltd.
 Operates three stores in Connecticut, Michigan and Missouri.

Hartmarx Corporation

Levy-Wolf
Jacksonville, Florida
Operates two stores in Florida.

Liemand's
Operates six stores in Minnesota.

Littlers
Seattle, Washington
Operates two stores in Washington.

Merritt Schaefer & Brown
Austin, Texas
Operates three stores in Texas.

Porter-Stevens
New Orleans, Louisiana
Operates five stores in Louisiana.

Root's
Operates seven stores in New Jersey and Massachusetts.

Shulman's
Operates two stores in Norfolk & Hampton, Virginia.

Silverwoods
Operates 20 stores in California and Nevada.

Stevens
Jackson, Mississippi
Operates two stores in Mississippi.

F.R. Tripler & Co.
New York, New York
Operates one store in New York City.

Walkers
Operates nine stores in Ohio.

Wallachs
Operates 33 stores in New York, Connecticut, Massachusetts, New Jersey, Rhode Island, New Hampshire.

Wallachs of Florida
Operates five stores in Florida.

Jas. K. Wilson
Operates 12 stores in Texas.

Wolf Bros.
Operates seven stores in Florida.

Zachry
Operates 12 stores in Georgia, Alabama, and North Carolina.

deJong's
Evansville, Indiana
Operates three stores in Indiana.

Peer Gordon
Operates five stores in Ohio.

Barrie Pace, Ltd.
Operates two stores in New York and Massachusetts.

Country Miss - Retail
Operates 87 Old Mills Stores in 28 states. These stores feature women's sportswear and separates produced by Country Miss, Inc.

Kuppenheimer Men's Clothiers - Retail
Operates 108 Kuppenheimer men's clothing stores in 26 states.

Sansabelt Stores
Operates 15 stores in California, Illinois, Ohio, Tennessee and Texas.

Robert's (49% owned)
Mexico City, Mexico
Operates clothing stores in Mexico.

Acquisition:

The Biltwell Company, Inc.
1128 Washington
St. Louis, Missouri 63103
(314) 231-3850
Manufactures men's and women's slacks, suits and coats.

Transfer Agent(s):

The First National Bank of Chicago
Chicago, Illinois 60670

Stock Exchange(s): New York, Midwest

Ticker Symbol: HSM

Sales & Earnings

	Net Sales	Net Income
1988	\$ 1,174,314,000	\$ 38,015,000
1987	1,080,420,000	41,265,000
1986	1,063,011,000	24,775,000
1985	1,109,537,000	42,660,000
1984	1,070,830,000	41,735,000
	No. of Com. Shares +	Earn. per Share ‡
1988	18,662,495	\$ 2.03
1987	18,833,058	2.01
1986	20,396,213	1.20
1985	18,883,002	2.25
1984	18,590,406	2.24

+ Adjusted to reflect stock split.

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	\$ 1.075	—	—
1987	0.980	—	—
1986	0.90 1/3	—	3-for-2
1985	0.85 1/3	—	—
1984	0.74 2/3	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1988	\$ 358,474,000	\$ 19.21
1987	343,934,000	18.26
1986	358,718,000	17.59
1985	332,412,000	17.61
1984	301,891,000	16.24

† Adjusted to reflect stock split.

Income Account * (000's)

Year ended Nov. 30	1988	1987
Net sales	\$ 1,174,314	\$ 1,080,420
Other income	15,320	12,564
Total income	\$ 1,189,634	\$ 1,092,984
Cost of sales	700,423	634,433
Expenses	414,851	378,791
Interest expense	14,465	7,715
Income before taxes	\$ 59,895	\$ 72,045
Income taxes	21,880	30,780
Net Income	\$ 38,015	\$ 41,265

* Included in Costs and Expenses, Depreciation and Amortization: \$25,018,000 in 1988 and \$22,567,000 in 1987.

Assets (000's)

As of Nov. 30	1988	1987
Cash & short term inv.	\$ 5,008	\$ 8,818
Accts. receiv., net	186,046	170,081
* Inventories	378,457	325,356
Prepaid expenses	8,673	10,880
Current Assets	\$ 578,184	\$ 515,135
Fixed assets	141,627	131,647
Other assets	14,305	13,502
Total Assets	\$ 734,116	\$ 660,284

Liabilities (000's)

Notes payable	\$ 79,600	\$ 30,200
Long-term debt, curr.	4,542	6,089
Accts payable	74,021	68,085
Accrued payroll	30,752	34,866
Other accruals	24,861	24,757
Income taxes	14,023	19,716
Deferred taxes	12,373	12,903
Curr. Liabilities	\$ 240,172	\$ 196,596
Long-term debt	135,470	119,754
+ Common stock	58,804	58,684
Add. paid-in capital	47,149	44,868
Retained earnings	351,795	333,753
Foreign curr. adj.	(5,876)	(5,876)
Treasury stock	(93,398)	(87,495)
Total Liabilities & Shareholders' Equity	\$ 734,116	\$ 660,284

* At lower of cost (LIFO and FIFO) or market.

‡ Less accumulated depreciation and amortization.

+ \$2.50 par value.

Statistical Summary

% Income bef. Taxes to Sales	5.10	6.67
% Net Income to Sales	3.24	3.82
% Net Income to Equity	10.60	12.00
Sales to Inventories	3.10	3.32
Debt to Equity	0.23	0.45
Working Capital	\$ 338,012,000	\$ 318,539,000
Current Ratio	2.41	2.62
Shareholders' Equity	\$ 358,474,000	\$ 343,934,000

Harvard Knitwear, Inc.

50 Keap Street
Brooklyn, New York 11211
(718) 522-5801

Officers: Michael Binet, chairman of the board & chief executive officer; Morris Gluck, president; Bruce Masters, vice chairman & exec. v.p.; James Katz, v.p., treasurer & secretary; Arnold Binet, v.p.; Richard Binet, v.p.

Directors: Michael Binet, chairman; Morris Gluck, Bruce Masters, James Katz, Arnold Binet, Richard Binet, Frank R. Cohen.

Business Activities: Designs, manufactures, and distributes women's and children's knitted apparel and women's sportswear.

Trademarks and/or Brand Names: Stephen Douglas Ltd., Reverse Ltd., Normandy Isle, Harvard, M.B.W., B.K.I., Binet, James Clifford Ltd.

Plant Location(s): New York, New York.

Subsidiaries:

Bene Knitwear, Inc.
MBW Industries, Inc.
Stephen Douglas, Ltd.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Philadelphia, Over-the-Counter

Ticker Symbol: HVD (Philadelphia); HVDK (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1988	\$ 18,689,000	\$ 1,123,000
1987	14,573,000	330,000
1986	15,119,000	(58,000)
1985	7,238,000	304,000
1984	2,593,000	77,000

	No. of Com. Shares	Earn. per Share *
1988	2,200,000	\$ 0.51
1987	2,200,000	0.15
1986	2,200,000	—
1985	2,200,000	0.14
1984	2,200,000	0.04

(Loss)

* Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 6,406,665	\$ 2.91
1987	1,679,571	0.76
1986	1,343,441	0.61
1985	1,382,634	0.63
1984	704,593	0.32

Income Account *

Year ended June 30	1988	1987
Net sales	\$ 18,688,899	\$ 14,573,107
Cost of sales	13,740,345	11,137,554
Expenses	2,514,044	2,295,380
Interest expense	688,528	477,078
Income before taxes	\$ 1,745,982	\$ 663,095
Income taxes	623,084	333,025
Net Income	\$ 1,122,898	\$ 330,070

* Included in Costs and Expenses, Depreciation and Amortization: \$209,140 in 1988 and \$177,826 in 1987

Assets

As of Jun. 30	1988	1987
Cash	\$ 195,145	\$ 63,791
Accts. receiv., net	956,574	1,604,725
Due from factor	339,698	—
* Inventories	10,768,605	5,638,396
Prepaid expenses	27,330	56,987
Loans receiv. from shareholders	—	3,500
Current Assets	\$ 12,287,352	\$ 7,367,399
* Fixed assets	463,278	657,275
Security deposits	24,138	19,183
Unamort. exp. of offering	—	37,500
Total Assets	\$ 12,774,768	\$ 8,081,357

Liabilities

Notes payable	\$ 121,628	\$ 230,947
Loans pay. to bank	—	1,800,000
Accts. payable	4,091,741	2,295,104
Due to factor	—	1,111,217
Accruals	193,048	126,364
Income taxes	1,006,863	628,095
Other loans payable	940,917	—
Loans pay. to shareholder	—	66,404
Curr. Liabilities	\$ 6,354,197	\$ 6,258,131
Notes payable	3,906	118,655
Loans payable	10,000	25,000
+ Common stock	3,100	2,200
Add. paid-in capital	656,860	656,860
Proceeds of underwriting suby. to debent.	3,603,296	—
Retained earnings	2,143,409	1,020,511
Total Liabilities & Shareholders' Equity	\$ 12,774,768	\$ 8,081,357

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$0.001 par value.

Statistical Summary

% Income bef. Taxes to Sales	9.34	4.55
% Net Income to Sales	6.01	2.26
% Net Income to Equity	17.53	19.65
Sales to Inventories	1.74	2.58
Debt to Equity	0.17	1.33
Working Capital	\$ 5,933,155	\$ 1,109,268
Current Ratio	1.93	1.18
Shareholders' Equity	\$ 6,406,665	\$ 1,679,571

Hercules Incorporated

Hercules Plaza
1313 North Market Street
Wilmington, Delaware 19894
(302) 594-5000

Officers: David S. Hollingsworth, chairman of the board & chief exec. officer; Fred L. Buckner, president & chief operating officer; Arden B. Engebretsen, vice chairman & chief financial officer; S. Maynard Turk, v.p. & general counsel; Alexander L. Searl, v.p. & treasurer; George MacKenzie, v.p. & controller; Daniel F. Desmond, asst. treasurer; James D. Knox, asst. treasurer; Charles W. K. Gamble, secretary; Dominick W. DiDonna, asst. controller; Thomas L. Gossage, pres.-Hercules Specialty Chemicals Co.; James E. Knox, pres.-Hercules Engineered Polymers Co.; Edward J. Sheehy, pres.-Hercules Aerospace Co.

Directors: Guy T. McBride, Jr., John R. Petty, Arthur C. Nielsen, Jr., Eugene D. Crittenden, Jr., Stuart E. Eizenstat, Arden B. Engebretsen*, David S. Hollingsworth, Jerome Jacobson, Robert G. Jahn, Joan E. Spero, Fred L. Buckner, Henry A. Schwengetdt, S. Maynard Turk.

* Member of the Executive Committee

Business Activities: The Company is a worldwide supplier of a broad line of natural and synthetic materials and products and related systems. Products include such materials as cellulose, flavors, and fragrances, natural and hydrocarbon resins, polypropylene fiber and film, propellants and advanced composites.

Textile products include: nonwoven polypropylene staple fiber which provides superior strength in sanitary facings for disposable hygiene products; polypropylene products used in Nouvell BCF carpet yarn, which offers resistance to stains, fading and wear; graphite fiber used in aircraft due to its light weight, strength, and stiffness, and used in filament-wound cases for submarine-launched missiles; and high-luster velvet yarn, trademarked Elustra, used in upholstered furniture.

Textile Trademark(s): Nouvelle, Elustra.

Textile Plant Location(s): Oxford, Georgia; Magna, Utah; Iberville, Canada.

Divisions and Subsidiaries:

Mica Corporation
Culver City, California

Hercules Trading Corporation
Wilmington, Delaware

Hercules Overseas Corporation
St. Croix, Virgin Islands

Hercules Engineered Polymers Company
Wilmington, Delaware

Hercules Aerospace Company
Wilmington, Delaware

Hercules Aerospace Display Systems, Inc.
Hatfield, Pennsylvania

Hercules Credit, Inc.
Wilmington, Delaware

Hercules Defense Electronics Systems, Inc.
Clearwater, Florida

Hercules Specialty Chemicals Company
Wilmington, Delaware

Simmonds Precision Products, Inc.
Wilmington, Delaware

Hercules do Brasil Produtos Quimicos Ltda.
Sao Paulo, Brazil

Hersean Pte. Ltd.
Singapore, Singapore

Hercules International Trade Corporation Limited
Nassau, The Bahamas

Hercules Canada Inc.
Mississauga, Ontario, Canada

Hercules Limited
London, England

Hercules France S.A.
Paris, France

Hercules GmbH
Hamburg, Germany

Hercules Far East KK
Tokyo, Japan

Patex Chemie GmbH
Traun, Austria

Hercules Chemical NV
Beringen, Belgium

A/S Kobehavns Pektinfabrik
Lille Skensved, Denmark

PFW Ltd.
Perivale, England

OY Hercofinn AB
Helsinki, Finland

Pomosi GmbH
Grossenbrode, Germany

Hercules Italia S.p.A.
Milan, Italy

Quimica Hercules, SA de CV
Mexico, D.E.

PFW (Nederland) BV
Amersfoort, The Netherlands

Ceratonis S.A.
Tarragona, Spain

Hercules Kemiska Aktiebolag
Goteborg, Sweden

Champlain Cable Corporation
Wilmington, Delaware

Hercules BV
Rijswijk, The Netherlands

Hercules Incorporated

Affiliated Companies (U.S.)

Acon Systems, Inc. (34% interest)
BillERICA, Massachusetts

Aqualon Company (50% interest)
Wilmington, Delaware

BHC Laboratories, Inc. (50% interest)
Warsaw, Indiana

EKC Technology, Inc. (35% interest)
Hayward, California

Episor Laboratories, Inc. (50% interest)
Palo Alto, California

Intermarine, U.S.A. (40% interest)
Savannah, Georgia

Texas Alkyls, Inc. (50% interest)
Deer Park, Texas

Transfer Agent(s):

Manufacturers Hanover Trust Company
P.O. Box 24935
Church Street Station
New York, New York 10249

Wachovia Bank & Trust Company, N.A.
P.O. Box 3099
Winston-Salem, North Carolina 27102

Wilmington Trust Company
10th & Market Streets
Wilmington, Delaware 19890

Stock Exchange(s): New York, London, Zurich, Geneva,
Basel

Ticker Symbol: HPC

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1988	\$ 2,802,072	\$ 120,435
1987	2,693,003	820,737
1986	2,615,100	226,700
1985	2,587,200	133,200
1984	2,571,000	197,200

	No. of Com. Shares	Earn. per Share †
1988	45,900,000	\$ 2.55
1987	48,800,000	14.74
1986	54,800,000	4.02
1985	54,300,000	2.40
1984	53,500,000	3.54

† Based on the weighted average number of common shares
and common share equivalents outstanding.

Revenues By Line of Business (000's)

	1988	1987
Specialty chemicals	\$ 1,306,000	\$ 1,312,000
Aerospace	1,052,000	1,007,000
Engineered polymers	398,000	399,000
Other products	46,000	71,000
Total	\$ 2,802,000	\$ 2,693,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 2.00	—	—
1987	1.84	—	—
1986	1.72	—	—
1985	1.60	—	—
1984	1.48	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 2,044,500,000	\$ 44.54
1987	2,189,900,000	44.88
1986	1,703,200,000	31.11
1985	1,474,201,000	27.13
1984	1,366,911,000	25.57

Income Account * (000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 2,802,072	\$ 2,693,003
Cost of sales	2,193,081	2,063,661
Expenses	453,786	421,381
Nonrecurring expenses	25,548	31,096
Interest expense	34,190	44,758
Loss (gain) on dispos. of assets	8,194	(1,109,824)
Other income	(34,840)	(44,847)
Income before taxes	\$ 122,113	\$ 1,286,818
Income taxes	42,866	575,692
Eq. in inc. of affil. cos.	(41,188)	(109,611)
Net Income	\$ 120,435	\$ 820,737

* Included in Costs and Expenses, Depreciation:
\$144,879,000 in 1988 and \$134,373,000 in 1987.

Assets (000's)

As of Dec. 31	1988	1987
Cash & market secur.	\$ 200,146	\$ 694,489
Accts. & notes receiv., net	831,297	696,626
*Investments	447,070	402,352
Current Assets	\$ 1,478,513	\$ 1,793,467
Investments & advances	511,273	449,290
*Fixed assets	1,164,102	1,075,389
Other assets	171,406	153,931
Total Assets	\$ 3,325,294	\$ 3,492,077

Liabilities (000's)

	1988	1987
Short-term debt	\$ 80,351	\$ 34,078
Accts. payable	201,276	184,239
Accruals	206,342	204,888
Income taxes	41,317	71,260
Curr. Liabilities	\$ 529,286	\$ 494,485
Long-term debt	428,603	488,538
Other liabilities	122,838	125,220
Deferred inc. taxes	200,034	193,967
*Common stock	29,695	29,252
Add. paid-in capital	319,301	289,482
Foreign currency adjustment	29,519	46,867
Retained earnings	2,220,260	2,192,736
Treasury stock	(554,242)	(368,470)
Total Liabilities & Shareholders' Equity	\$ 3,325,294	\$ 3,492,077

* At lower of cost or market. Domestic inventories at
LIFO; foreign at average cost.
* Loss accumulated depreciation and amortization.
+ \$25/48 stated value.

Statistical Summary

%Income bef. Taxes to Sales	4.36	47.78
%Net Income to Sales	4.30	30.48
%Net Income to Equity	3.89	37.48
Sales to Inventories	6.27	6.69
Debt to Equity	0.25	0.24
Working Capital	\$ 949,227,000	\$ 1,298,982,000
Current Ratio	2.79	3.63
Shareholders' Equity	\$ 2,044,533,000	\$ 2,189,967,000

Hexcel Corporation

11555 Dublin Boulevard
Dublin, California 94568-0705
(415) 828-4200

Officers: Robert L. Witt, chairman & president; James D. Neff, sr. v.p.-engineered & structural products; James D. Ota, sr. v.p.-international & specialty products; Fred G. Beyerlein, v.p.-Resins & Chemicals Division; D. Thomas Divird, v.p. & chief financial officer; John F. O'Flaherty, v.p., general counsel & secretary; Robert A. Penelec, v.p.-administrative operations; Larry G. Barkdale, v.p.-Honeycomb Business Unit; Christopher J. Ward, treasurer; David M. Wong, controller.

Directors: Robert L. Witt, chairman; Ross F. Anderson, Holt Ashley, Thomas R. Brown, John L. Doyle, Sydney P. Harrison, Kenneth M. Holland, Leslie L. Luttgens, James A. Merritt, David I. Wendel.

Business Activities: Produces honeycomb, advanced composites, reinforcement fabrics, and specialty chemicals and resins used in the commercial aerospace, space and defense, and other markets.

In the area of fibers, the Company produces advanced composites which combine specialized resin materials with high-performance fiber reinforcements formed through the Company's own weaving and stitch-bonding processing into specialty fabrics that are then impregnated with resin. The fibers used in advanced composites include S-2, E- and R-type fiberglass, high-strength carbon fibers, impact-resistant Kevlar, electrically and thermally conductive Thorstrand, and high-temperature ceramic fibers. Standard resin systems include epoxy, polyester, bismaleimide and polyimide. The Company also weaves or stitch-bonds fabrics without resin impregnation that are sold separately as reinforcements.

Trademarks and/or Brand Names: Kevlar, Thorstrand, Nextel.

Plant Locations (fiber): Reno, Nevada; Seguin, Texas; Les Avenieres (Lyon), France.

Subsidiaries:

Hexcel-Gemini, S.A.
Les Avenieres (Lyon), France

Hi-Tech Composites, Inc.
Reno, Nevada

Utilizes a unique system of stitching multi-layer, multi-directional fabrics used by the aerospace, marine, ballistics, belting and other industries.

Knytex, Inc.
Seguin, Texas

Designs and manufactures stitch-bonded multi-layer fabrics used in marine, ballistic, aerospace, recreation and other market applications.

Transfer Agent(s):

The Bank of California
Corporate Trust Department
P.O. Box 45005
San Francisco, California 94145

Stock Exchange(s): New York, Pacific

Ticker Symbol: HXL

Sales & Earnings

	Net Sales	Net Income
1988	\$ 399,180,000	\$ 14,135,000
1987	349,184,000	12,869,000
1986	290,383,000	9,664,000
1985	235,236,000	7,726,000
1984	181,154,000	5,892,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	6,913,000	\$ 2.33
1987	6,716,000	1.92
1986	6,370,000	1.52
1985	6,131,000	1.26
1984	5,268,000	1.11

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1988	1987
Structural products	\$ 135,621,000	\$ 296,512,000
Specialty chemical & resins	67,559,000	52,672,000
Total	\$ 399,180,000	\$ 349,184,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	\$ 0.43	—	3-for-2
1987	0.40	—	—
1986	0.40	—	—
1985	0.40	—	—
1984	0.40	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 126,526,000	\$ 18.36
1987	114,456,000	16.83
1986	92,255,000	14.23
1985	71,701,000	12.30
1984	59,707,000	10.75

‡ After allowing for preferred stock and stated value.

‡ Adjusted to reflect stock split.

Income Account* (000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 399,180	\$ 349,184
Cost of sales	296,171	258,561
Expenses	71,559	63,349
Interest expense	5,543	5,806
Income before taxes	\$ 25,907	\$ 21,648
Income taxes	9,772	8,779
Net Income	\$ 16,135	\$ 12,869

* Included in Costs and Expenses, Depreciation and Amortization: \$15,078,000 in 1988 and \$12,435,000 in 1987.

Assets (000's)

As of Dec. 31	1988	1987
Cash & short-term invest.	\$ 11,111	\$ 15,153
Accts. receiv., net	88,482	72,989
*Investments	69,361	60,256
Prepaid expenses	6,203	5,168
Current Assets	\$ 175,157	\$ 153,566
Investments & other assets	5,789	5,637
Fixed Assets	131,387	103,950
Total Assets	\$ 312,333	\$ 263,153

Liabilities (000's)

Notes payable	\$ 10,785	\$ 12,025
Long-term debt, curr.	2,834	4,074
Accts. payable	30,453	24,710
Accruals	21,942	22
Accrued retire. & profit sharing	5,382	4,514
Curr. Liabilities	\$ 71,396	\$ 67,648
Long-term debt	109,340	75,023
Cap. lease oblig.	5,071	6,026
+Common stock	69	68
Add. paid-in capital	56,799	54,691
Retained earnings	69,845	56,573
Com. curr. trans. adjust.	(187)	3,124
Total Liabilities & Shareholders' Equity	\$ 312,333	\$ 263,153

* At lower of cost (average & LIFO) or market.

‡ Less accumulated depreciation and amortization.

+ \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.49	6.20
%Net Income to Sales	4.04	3.69
%Net Income to Equity	12.75	11.24
Sales to Investments	5.76	5.80
Debt to Equity	1.01	0.81
Working Capital	\$ 103,761,000	\$ 85,918,000
Current Ratio	2.45	2.27
Shareholders' Equity	\$ 126,526,000	\$ 114,456,000

Hoechst Aktiengesellschaft

D-6230 Frankfurt am Main 80
Federal Republic of Germany
(0 69) 3 05-4

Directors: Max-Rudolf Buchmann, Knapsack Works; Dieter Cron, plastic and waxes divisional sales; Alexander Dalmen, fibres and fibre intermediates division; Werner Frank, surfactants and auxiliaries division; Richard Geb-ringer, personnel/staff welfare, Hoechst Works; Friedrich W. Gerdes, paints and synthetic resins divisional sales; Helmut Gruber, Gendorf Works; Hans-Joachim Grunewald, paints and synthetic resins division; Horst Kaiser, technical information systems divisional sales; Gerhard Korger, pharmaceuticals division production; Gottfried Kremer, plastic and waxes division; Dieter Laengsfelder, pharmaceuticals division; Jürgen Lehmann, general legal matters; Gunter Lipphardt, engineering department planning and development; Lutz A. W. Mann, international relations; Dieter Poetzsch, chemicals divisional sales; Gerhard Prante, agriculture division; Alfred X. Rad, procurement; Kurt Reiss, technical information systems division; Hans-Peter Reuter, taxes; Werner Schulmann, plastic film division; Ernst Sommer, central engineering coordination department; Jürgen Thimm, fibres and fibre intermediates divisional research and development; Karlheinz Trobach, environment; Dominik von Winterfeldt, corporate public relations; Hans-Georg Wolters, pharmaceuticals divisional clinical research; Franz J. Drenkard, accounts; Karl G. Engels, fibres and fibre intermediates divisional sales; Thomas C. Bohrer, engineering plastics division; Boy Cornils, chemicals division; Friedrich Deichmann, pharmaceuticals divisional sales; Richard Weigmann, finance.

Supervisory Board: Rolf Sammet, chairman; Rolf Brand, deputy chairman; George Badeck, Oswald Bommel, E. Bouillon, W.H. Dieter, W. Eber, Dietrich-Kurt Frowein, K. Furgler, Robertus Hazelhoff, Georg Heinz, Horst K. Jannott, H.-H. Konrad, V. Krammer, H. Markl, A.B. Al-Nouri, P.-M. Preussner, W. Röllner, Egon Schäfer, K. Stameschke.

Board of Management: Wolfgang Hilgen, chairman; Günther Metz, deputy chairman; Jürgen Dormann-central finance and accounts department-North America; Martin Fruhauf, central legal, patents, taxes, insurance department-France; Hansgeorg Garms, pharmaceuticals, agriculture, plastic film divisions; Heinz Harnisch, technical information systems division; Karl Holoschek, fine chemicals and colour division; Hans Georg Janson, chemicals, paints and synthetic resins division-Pacific region; Uwe Jens

Thomsen, surfactants and auxiliaries, cosmetics companies divisions; deputy members: Ernst Schadow, plant engineering division; J. Mische, K.-G. Seifert.

Business Activities: The Company is a major supplier of chemicals, dyes, surfactants and auxiliaries, fibers and fiber intermediates, plastic film, paints and synthetic resins, plastics and waxes, pharmaceuticals, cosmetics, technical information systems, engineering ceramics, industrial gases, welding technology, plant engineering, and agricultural products such as herbicides, fertilizers, and animal health products.

In the textile area, the Company produces fibers and fiber intermediates, including polyester staple and filament for textile and technical applications, monofilaments and spun-bond made from polyester (Trevira), staple made from acrylic (Dolan) and viscose staple (Danufil), fiber intermediates, film resins, bottle resins, acetate filaments, acetate tow for cigarette filters, and flame retardant fibers made from PBI (Trevira CS and Danufil CS).

Textile Trademarks and/or Brand Names: Trevira, Trevira Finene, Trevira CS, Dolan, Danufil, Danufil CS, Celcon, Celanese PA 66, Celanese.

Subsidiaries (West Germany):

Behringwerke AG, Marburg

Casella AG, Frankfurt am Main
Herberta GmbH, Wuppertal
Hoechst Ceram Tec AG, Selb
Jade Cosmetic GmbH, Frankfurt am Main
Marbert GmbH, Düsseldorf
Messer Griesheim GmbH, Frankfurt am Main
Riedel-de Haen AG, Seelze
Spinnstoffabrik Zehlendorf AG, Berlin
Ticona Polymerwerke GmbH, Kelsterbach
Udde GmbH, Dortmund

Subsidiaries (North America):

Hoechst Celanese Corporation
Bridgewater, New Jersey, U.S.A.

Hoechst Canada Inc.
Montreal, Quebec, Canada

Química Hoechst de México S.A.
Mexico, D.F.

Stock Exchange(s): Listed on all eight German stock exchanges and ten other European exchanges; trades Over-the-Counter, in the form of an American Depositary Receipt, in the U.S.A.

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1988	DM 4,364,000	DM 2,015,000
1987	36,956,000	1,528,000
1986	33,231,000	1,317,000
1985	42,722,000	1,468,000
1984	41,457,000	1,352,000

	No. of Com. Shares	Earn. per Share
1988	56,600,000	DM 32.27
1987	55,900,000	24.63
1986	54,900,000	22.16
1985	51,600,000	23.27
1984	50,300,000	21.21

DM - deutsche mark

Revenues by Line of Business (000's)

	1988	1987
Chemicals & color	DM 10,743,000	DM 9,086,000
Fibers & plastic film	8,001,000	7,454,000
Polymers	7,414,000	6,903,000
Health	7,358,000	6,715,000
Engineering & tech	5,720,000	4,602,000
Agriculture	2,330,000	2,196,000
Total	DM 40,964,000	DM 36,956,000

Common Stock

	Cash Dividend*	Stock Dividend	Stock Split
1988	12.00	—	—
1987	10.00	—	—
1986	10.00	—	—
1985	9.00	—	—
1984	7.00	—	—

* In deutsche marks.

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1988	DM 11,316,000	DM 178.95
1987	9,779,000	155.46
1986	11,216,000	189.56
1985	9,376,000	154.00
1984	9,151,000	155.00

Income Account (000's)

Year ended	1988	1987
Dec. 31		
Net sales	DM 40,984,000	DM 36,956,000
Cost of sales	25,580,000	23,186,000
Expenses:		
Distrib. & selling	7,764,000	7,162,000
Research	2,416,000	2,217,000
Gen. adm.	1,570,000	1,560,000
Other oper. inc.	(728,000)	(809,000)
Other oper. exp.	362,000	382,000
Interest expense	271,000	403,000
Interest income	(409,000)	(271,000)
Write-offs of losses	52,000	20,000
Income before taxes	DM 4,086,000	DM 3,108,000
Income taxes	2,071,000	1,580,000
Net income	DM 2,015,000	DM 1,528,000

Assets (000's)

As of Dec. 31	1988	1987
Cash	DM 1,708,000	DM 1,703,000
Marketable securities	1,641,000	899,000
Accts. receiv., net	6,549,000	5,856,000
Other receivables	1,505,000	1,453,000
*Investments	6,064,000	6,048,000
Prepaid expenses	109,000	159,000
Current Assets	17,596,000	DM 16,118,000
Investments	2,174,000	2,227,000
*Fixed assets:		
Intangible	130,000	126,000
Tangible	11,480,000	10,460,000
Total Assets	DM 31,380,000	DM 28,931,000

Liabilities (000's)

	1988	1987
Accts. payable	DM 2,829,000	DM 2,315,000
Doubtful accts.	2,152,000	1,696,000
Transaction settlements	697,000	609,000
Product warranties	—	1,000
Maintenance	52,000	45,000
Prov. for pensions	4,416,000	3,826,000
Income taxes	786,000	581,000
Deferred inc. taxes	192,000	429,000
Other current liabilities	2,951,000	3,126,000
Current Liabilities	DM 13,855,000	DM 12,628,000

Long-term debt	6,156,000	6,478,000
Deferred income	53,000	46,000
+Common stock	2,831,000	2,797,000
Capital reserves	3,742,000	3,692,000
Revenue reserves	3,559,000	2,209,000
Minority interests	1,184,000	1,081,000

Total Liabilities & Shareholder's Equity	DM 31,380,000	DM 28,931,000
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* At lower of cost and net realizable value.

† Less accumulated depreciation.

+ DMSO par value.

Statistical Summary

% Income bef. Taxes to Sales	9.97	8.41
% Net Income to Sales	4.92	4.13
% Net Income to Equity	17.81	15.63
Sales to Investors	6.76	6.11
Debt to Equity	0.54	0.66
Working Capital (000's)	DM 3,741,000	DM 3,690,000
Current Ratio	1.27	1.28
Shareholders' Equity (000's)	DM 11,316,000	DM 9,779,000

Hoechst Celanese Corporation

(A wholly owned subsidiary of Hoechst Aktiengesellschaft, West Germany)

Route 202-206
P.O. Box 2500
Somerville, New Jersey 08876-1258
(201) 231-2000

Officers: Dieter zur Loye, chairman; Ernest H. Drew, president & chief executive officer; Harry R. Benz, exec. v.p. & chief financial officer; Ulf Fekelt, exec. v.p. & president-Advanced Technology Group; Thomas C. Bohrer, v.p. & president-Engineering Plastics Group; Hubert E. Huckel, sr. v.p. & president-Life Sciences Group; William B. Harris, v.p. & treasurer; Alban W. Schuele, v.p. & president-Specialty Products Group; Raymond W. Smedley, v.p. & controller; C. Eugene Steel, v.p.-administration; J. Douglas Libby, v.p. & pres.-Film & Fiber Intermediates Group; Joseph H. Patterson, v.p. & president-Technical Fibers Group; Heinz K. Hofmeister, v.p. & president-Specialty Chemicals Group; John A. Fennie, v.p. & pres.-Textile Fibers Group; Thomas F. Kennedy, v.p. & president-Chemical Group; David Jenkins, v.p. & general counsel.

Business Activities: Manufactures and markets a diversified line of products including textile and industrial fibers; acetate cigarette filter tow, specialty and bulk chemicals; prescription drugs; agricultural chemicals; veterinary pharmaceuticals and food additives; engineering resins; pre-sensitized offset printing plates and proofing films; dyes and pigments; and polyester and polyvinyl chloride film.

The Company's Textile Fibers Group produces Trevira and other branded polyester fibers, yarns, and fiberfill and Celebrate acetate filament yarn, for apparel end uses and home furnishings. The Trevira, Comfort Fiber, ESP, and Ceylon trademarks (polyester) and the Celebrate! trademark (acetate), appear on men's, women's and children's wear. Trevira, a polyester used extensively in carpeting, is also used in upholstered furniture, office systems, and non-woven fabrics. Celebrate! and Ceylon are used in curtains, draperies, and bedding products. Recent product introductions include Trevira Linenette, a polyester apparel fiber; a new family of premium Trevira fiberfill products; and new air-textured filament products for flame-retardant applications.

The Company's Technical Fibers Group produces high-denier polyester filament yarns for tire cord, rubber-related markets, seat belts, coated and laminated fabrics, vinyl coated yarns, and webbings; low denier polyester filament yarns for core thread and other industrial applications; polyester staple used in the manufacture of spun sewing thread and such non-woven disposable items as surgical gowns and diapers; Trevira Spunbond polyester products used for roofing and geotextile end uses; and Trevira polyester monofilament products used in papermaking, screens, zippers, and other industrial applications. The Group's Polymer and Filter Products Division makes acetate and polyester polymers and is a worldwide producer of cellulose acetate tow for cigarette filters.

Textile Trademarks and/or Brand Names: Trevira, Celebrate!, Comfort Fiber, ESP, Ceylon, Trevira Linenette, Trevira Spunbond.

Textile Plant Location(s): Salisbury & Shelby, North Carolina; Spartanburg & Rock Hill, South Carolina; Narrows, Virginia; Drummondville, Quebec, Canada; Millhaven, Ontario, Canada.

Operating Groups:

Advanced Technology Group
1 Main Street
Chatham, New Jersey 07928
(201) 635-2600

Chemical Group
1250 West Mockingbird Lane
Dallas, Texas 75247
(214) 689-4000

Engineering Plastics Group
1 Main Street
Chatham, New Jersey 07928
(201) 635-2600

Film & Fiber Intermediates Group
6000 Carnegie Boulevard
Charlotte, North Carolina 28209
(704) 554-2000

Technical Fibers Group
6000 Carnegie Boulevard
Charlotte, North Carolina 28209
(704) 554-2000

Life Sciences Group
Route 202-206 North
Somerville, New Jersey 08876
(201) 231-2000

Specialty Chemicals Group
Route 202-206 North
Somerville, New Jersey 08876
(201) 231-2000

Specialty Products Group
1 Main Street
Chatham, New Jersey 07928
(201) 635-2600

Textile Fibers Group
1211 Sixth Avenue
New York, New York 10036
(212) 719-8000

Textile Subsidiaries:

Celanese Canada Inc. (56%-owned)
Montreal, Quebec, Canada

Produces polyester heavy denier industrial yarn, industrial staple, textile staple and filament yarn, cellulose acetate filament yarn, cigarette filter tow and filament yarn, cellulose acetate flake.

Celanese S.A.
Belgium

Produces acetate and triacetate filament yarn and acetate cigarette filter tow.

Celanese Mexicana, S.A. (40%-owned)
Mexico 20, DF, Mexico

Produces acetate filament, nylon filament and staple, polyester filament and staple, nylon bulked carpet yarn, textured polyester, acetate tow, nylon and polyester tire cord, industrial nylon and polyester.

Sales & Earnings

	Net Sales *	Net Income +†
1988	\$ 5,679,000,000	\$ 250,000,000
1987	4,614,000,000	199,000,000
1986	1,659,000,000	30,000,000
1985	1,456,000,000	30,000,000
1984	1,451,000,000	30,000,000

	No. of Com. Shares	Earn. per Share †
1988	10,000	\$ —
1987	10,000	—
1986	4,784,580	7.94
1985	4,784,580	7.94

* Off continuing operations only

† Including extraordinary charge of \$6,000,000 (\$1.25 per share) in 1986.

Revenues by Line of Business
(000's)

	1988	1987
Fibers and film	\$ 2,446,000	\$ 1,167,000
Chemicals	1,588,000	985,000
Specialties and adv. materials	1,335,000	1,132,000
Life sciences	462,000	435,000
Eliminations	(152,000)	(105,000)
Total	\$ 5,679,000	\$ 4,614,000

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 3,161,000,000	\$ —
1987	3,103,000,000	—
1986	726,000,000	15.74
1985	688,000,000	14.80

Income Account *
(000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 5,679,000	\$ 4,614,000
Cost of sales	4,195,000	3,381,000
Expenses	934,000	822,000
Eq. in inc. of affil.	(44,000)	(14,000)
Interest expense	62,000	72,000
Interest income	(9,000)	(25,000)
Income before taxes	\$ 541,000	\$ 378,000
Income taxes	253,000	195,000
Minority interest	38,000	14,000
Net Income	\$ 250,000	\$ 169,000

* Included in Costs and Expenses, Depreciation and Amortization: \$259,000,000 in 1988 and \$227,000,000 in 1987.

Assets
(000's)

As of Dec. 31	1988	1987
Cash & market secur.	\$ 152,000	\$ 125,000
Accts. receiv., net	974,000	701,000
*Inventories	748,000	672,000
Prepaid expenses	12,000	53,000
Assets held for sale	—	170,000
Current Assets	\$ 1,886,000	\$ 1,721,000
Investments in affil.	295,000	287,000
*Fixed assets	2,053,000	1,911,000
Other assets	176,000	200,000
Intangibles	1,293,000	1,316,000
Total Assets	\$ 5,703,000	\$ 5,435,000

Liabilities
(000's)

	1988	1987
Notes payable & long-term debt, curr.	\$ 18,000	\$ 23,000
Accts. payable & accruals	882,000	774,000
Dividend pay. to parent	125,000	—
Notes and accts. pay. - parent and affil.	91,000	79,000
Income taxes	186,000	171,000
Current Liabilities	\$ 1,302,000	\$ 1,047,000

Long-term debt	809,000	854,000
Minority interest	136,000	123,000
Deferred inc. taxes	61,000	61,000
Other liabilities	232,000	247,000
Add. paid-in capital	2,720,000	2,720,000
Retained earnings	400,000	345,000
Cum. trans. adjust.	41,000	38,000

Total Liabilities & Shareholders' Equity	\$ 5,703,000	\$ 5,435,000
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* At lower of cost (FIFO & LIFO) or market.

‡ Less accumulated depreciation and amortization.

Statistical Summary

% Income bef. Taxes to Sales	9.53	8.19
% Net Income to Sales	4.40	3.66
% Net Income to Equity	7.91	5.45
Sales to Inventories	7.91	6.87
Debt to Equity	0.26	0.28
Working Capital	\$ 584,000,000	\$ 674,000,000
Current Ratio	1.45	1.64
Shareholders' Equity	\$ 3,161,000,000	\$ 3,103,000,000

Howard B. Wolf, Inc.

3809 Parry Avenue
Dallas, Texas 75226
(214) 823-9941

Officers: Howard B. Wolf, chairman & secretary; Robert D. Wolf, president; Eugene K. Friesen, sr. v.p. & treasurer.

Directors: Howard B. Wolf*, Eugene K. Friesen*, Robert D. Wolf*, Joel Heid, Juan Villamizar.

* Member of the Executive Committee

Business Activities: Designs, manufactures and sells women's fashion apparel consisting primarily of dresses, suits, skirts, and coordinated groups of sportswear.

Trademarks and/or Brand Names: Howard Wolf, Pret-A-Porte, Ernesto W. Howard Wolf Sportswear, Howard Wolf Dress.

Plant Location(s): Dallas, Texas

Divisions:

Howard Wolf
3809 Parry Avenue
Dallas, Texas 75226

Designs and manufactures dresses and ensembles for women between 18 and 35 years of age, under the brand name "Howard Wolf."

Howard Wolf Sportswear

3809 Parry Avenue
Dallas, Texas 75226

Designs and manufactures sportswear, including separate skirts, pants, tops, jackets and sweaters in coordinated groups, for the young woman.

Transfer Agent(s):

NCNB Texas National Bank
Dallas, Texas 75201

Stock Exchange(s): American

Ticker Symbol: HBW

Sales & Earnings

	Net Sales	Net Income #
1988	\$ 7,585,397	\$ 133,096
1987	8,144,865	(148,835)
1986	8,701,419	(575,681)
1985	9,075,119	(314,306)
1984	8,612,614	357,037

	No. of Com. Shares	Earn. per Share ‡ #
1988	1,056,191	\$ 0.13
1987	1,056,191	—
1986	1,081,191	—
1985	1,081,191	—
1984	1,081,191	0.24

(Loss)

Including extraordinary gains of \$32,913 (\$0.03) per share in 1988 and \$28,060 (\$0.03 per share) in 1984.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ —	—	—
1987	—	—	—
1986	—	—	—
1985	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 4,549,967	\$ 4.31
1987	4,416,871	4.18
1986	4,665,706	4.32
1985	5,241,387	4.85
1984	5,555,655	5.14

Income Account *

Year ended May 31	1988	1987
Net sales	\$ 7,585,397	\$ 8,144,865
Cost of sales	5,225,867	6,070,767
Expenses	2,291,584	2,218,201
Interest expense	64,009	82,590
Interest income	(62,401)	(30,465)
Other income	(99,312)	(47,393)

Income (loss) bef. taxes	\$ 165,650	\$ (148,835)
Income taxes	65,467	—
Net Income (Loss)	\$ 100,183	\$ (148,835)
Extraordinary gain	32,913	—

Net Income (Loss) & extraordinary gain	\$ 133,096	\$ (148,835)
--	------------	--------------

* Included in Costs and Expenses, Depreciation and Amortization: \$102,609 in 1988 and \$106,025 in 1987.

Assets

As of May 31	1988	1987
Cash & cash equiv.	\$ 1,268,479	\$ 925,399
Accts. receiv., net	1,585,892	1,583,602
*Inventories	2,009,501	2,169,409
Prepaid expenses	185,739	114,617
Income tax benefit	—	26,226
Current Assets	\$ 5,049,611	\$ 4,819,253
*Fixed assets	790,934	856,251
Prop. not used in oper.	113,493	115,981
Other assets	97,043	78,916
Total Assets	\$ 6,051,081	\$ 5,870,401

Howard B. Wolf, Inc.

Liabilities		
Long term debt, curr.	\$ 7,251	\$ 18,306
Accs. payable & accruals	978,644	885,409
Notes payable, curr.	39,996	523,341
Curr. Liabilities	\$ 1,025,891	\$ 1,427,056
Mortg. note pay	449,672	—
Long-term debt	—	7,251
Deferred federal income tax	25,551	19,223
+Common stock	360,400	360,400
Add. paid-in capital	2,034,088	2,034,088
Retained earnings	2,255,479	2,122,383
Treasury stock	(100,000)	(100,000)
Total Liabilities & Shareholders' Equity	\$ 6,051,081	\$ 5,870,401

* At lower of cost replacement market and at lower of average cost or net realizable value.

† Less accumulated depreciation and amortization.

+ \$0.3333 par value.

Statistical Summary

% Income bef. Taxes to Sales	2.18	—
%Net Income to Sales	1.32	—
%Net Income to Equity	2.20	—
Sales to Inventories	3.77	3.75
Debt to Equity	0.11	0.12
Working Capital	\$ 4,023,720	\$ 3,392,197
Current Ratio	4.92	3.38
Shareholders' Equity	\$ 4,549,967	\$ 4,416,871

Humphreys Inc.

(A private corporation)

2009 West Hastings Street
Chicago, Illinois 60608
(312) 997-2358

Officers: Glenn Golenberg, chairman of the board; Herbert Adler, vice chairman; Sheldon Young, president & chief executive officer; Harry Branch, treasurer, controller & chief financial officer; Robert Englehardt, v.p.-operations; Richard Ryan, v.p.-merchandizing & marketing; Lester Taub, v.p.-national field sales manager.

Directors: Glenn Golenberg, chairman; Herbert Adler, Sheldon Young.

Business Activities: Manufactures and merchandises men's and boys' accessories supplied to national retailers for sale under their private labels. These accessories include belts, suspenders, wallets, small leather goods, gloves, jewelry, headwear, scarves, boys' ties, and gift items. The Company also sells men's and boys' accessories through its branded products program, principally using the Levi's label, under a licensing arrangement with Levi Strauss.

Trademarks and/or Brand Names: Levi's, Webs, S'Belts, S'Wallets, S'Penders, Oak Street, Dante.

Plant Location(s): Chicago, Illinois.

Sales & Earnings

	Net Sales	Net Income
7/31/87**	\$ 16,805,661	\$ 2,940,690
1/31/87	27,842,124	2,956,128
1/31/86	21,333,642	2,465,371
1/31/85	23,463,298	3,507,299

	No. of Com Shares ‡	Earn. per Share ‡ #
7/31/87**	3,000,000	\$ 0.53
1/31/87	3,110,493	0.57
1/31/86	3,620,501	0.34
1/31/85	3,620,501	0.52

* 6 months.
† Unaudited.
‡ Pro forma - Based on pro forma income as if the Company had not been an S Corporation.
§ Based on the weighted average number of common shares and common share equivalents.

Common Stock Equity

	Total Equity	Equity Per Share ‡
7/31/87	\$ 6,144,633	\$ 2.05
1/31/87	3,204,143	1.03
1/31/86	2,919,959	0.81
1/31/85	2,915,000	0.81

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	7/31/87 (6 months)	1/31/87
Net sales	\$ 16,805,661	\$ 27,842,124
Cost of sales	9,706,683	17,114,214
Expenses		
Selling	2,956,213	4,907,050
Gen. & adm.	1,047,176	2,625,866
Interest expense	677,727	203,664
Interest income	(631)	(11,798)
Income before taxes	\$ 2,468,690	\$ 3,003,128
Income taxes	48,000	47,000
Net Income	\$ 2,940,690	\$ 2,956,128

* Included in Costs and Expenses, Depreciation: \$57,600 in the six months ending 7/31/87 and \$88,203 in the year ending 1/31/87.

Assets

As of	7/31/87	1/31/87
Cash	\$ 11,217	\$ 20,410
Accts. receiv., net	3,836,762	2,108,810
*Inventories	8,990,620	4,143,461
Prepaid expenses	216,948	114,892
Current Assets	\$ 12,955,547	\$ 6,387,573
#Fixed assets	245,072	192,348
Total Assets	\$ 13,200,619	\$ 6,579,921

Liabilities

Notes payable	\$ 2,746,563	\$ —
Subord. debentures	115,200	140,200
Accts. payable	1,844,250	477,213
Accruals	1,078,694	724,219
Accrued pension	350,870	236,728
Accrued vacation pay	115,212	141,922
S Corporation dist. pay	805,197	1,610,396
Curr. Liabilities	\$ 7,055,966	\$ 3,330,678
Subord. debent.	—	45,100
+Common stock	3,000	3,000
Add. paid-in capital	135,154	135,154
Retained earnings	6,006,479	3,065,989
Total Liabilities & Shareholders' Equity	\$ 13,200,619	\$ 6,579,921

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$0.001 par value.

Statistical Summary

%Income bef. Taxes to Sales	17.78	10.79
%Net Income to Sales	17.30	10.62
%Net Income to Equity	47.85	92.26
Sales to Inventories	1.87	6.72
Debt to Equity	0.45	—
Working Capital	\$ 5,899,561	\$ 3,056,895
Current Ratio	1.84	1.92
Shareholders' Equity	\$ 6,144,633	\$ 3,204,143

Illingworth, Morris PLC

P.O. Box 122
Fairweather Green, Thornton Road
Bradford, West Yorkshire BD8 0HZ, England

Directors: A. J. Lewis, chairman & chief executive; M. Grant, P. Hardy, D. Hoddy, G. S. H. Kitchen, W. B. Dunn, G. F. Kitchen, J. H. Nunnerley, J. F. D. Tufnell, secretary.

Business Activities: The Company's principal activities consist of the processing of wool and fibers, including the production of woolen and worsted spun yarns, cloth and garments.

Subsidiaries (U.K.):

Woolcombers (Holdings) PLC
Fairweather Green Mills, Thornton Road
Bradford, West Yorkshire, England

Westbrook Lanolin Company
Argonaut Works, Lasterdyke, Bradford, England
Lanolin and derivative producers.

Woolcombers Limited
Fairweather Green Mills, Thornton Road
Bradford, West Yorkshire, England

Woolcombers (Processors) Limited
Fairweather Green Mills, Thornton Road
Bradford, West Yorkshire, England
Commission wool and synthetic combers.

James W. Firth & Company
Greenside Woolcombing Company
Isaac Holden (Synthetics) Company
Superwash
J. & C. Crabtree

Woolcombers (Scourers) Limited
Cumberland Works, Bradford, England
Commission wool scourers.

Alston Scouring Company

William Bussey Limited
Young Street Mills, Young Street
Bradford, England
Wool merchants.

A. C. Wood & Sons Limited

Illingworth Morris (Merchants) Limited
Young Street Mills, Young Street
Bradford, England
Wool merchants.

J. G. Field & Co.
Percy C. Anderton
H. & F. Tetley
Woolcombers (Mohair)

Daniel Illingworth & Sons
Whetley Mills, Bradford, England
Worsted spinners.

Globe Worsted Company
Globe Mills, Slaithwaite, North Huddersfield, England
Worsted spinners.

William Smith & Co.
Bottom Mills, Holmfirth, Huddersfield, England
Commission dyers.

Huddersfield Fine Worsteds
Kirkheaton Mills, Kirkheaton, Huddersfield, England
Fine worsted manufacturers.

Josiah France
Leary Brothers & Co.
Broadhead & Graves
Martin Sons & Company
W. E. Yates Limited
Sykes & Hebblethwaite
George Mallison & Sons
James Sykes & Son

all at:

Kirkheaton Mills, Kirkheaton, Huddersfield, England

R.G. Neill & Son
Glenesk Mills, Langholm, England
Scottish woolen and worsted manufacturers.

Winterbotham, Strachan & Playne, Limited
Manufacturers of woolen flannels, suitings, uniform and sports cloths, billard and casino cloths, industrial cloths and tennis ball cloths.

William Playne & Co.
Strachan & Co.
Samuel Salter & Co.
Lodgmore Mills, Stroud, Gloucestershire
Cam Mills, North Dursley, Gloucestershire
Longfords Mill, Minchinhampton, Gloucestershire

Hunt & Winterbotham
Cloth merchants.
Standen & Co.
S. Collier & Co. (Wessex)
Harold A. Gray
Firth & Company (Huddersfield Textiles)
Darley Mills Co.
Hare of England
West of England Woollen Mills

all at:

Frome Hall
Chestnut Lane
Stroud, Gloucestershire, England

Troyfill (Finishers) Limited
Alverthorpe Mills, Wakefield, England
Specialized commission dyers.

J. & J. Crombie Limited
Grandholm Works, Woodside, Aberdeen, Scotland
Manufacturers of overcoatings, Scottish suitings and sport cloths.

The Hawick Hosiery Company Limited
Trinity Mills, Hawick, England
Fully fashioned knitwear manufacturers.

S. Schneiders & Son Limited
Rochester House
Commercial Road
Stroud, Kent, England
Clothing manufacturers.

Illingworth, Morris (Saitaire) Limited
Brook Walker & Co.
Alverthorpe Mills, Wakefield
Valley Mills, Drighlington, England
Woolen manufacturers.

Ephraim Wood & Co.
Mark Botton Mills, Huddersfield, England
Woolen manufacturers.

Subsidiaries (outside of U.K.):

William Bussey (Australia) Proprietary Limited
Australia

Westbrook Lanolin Company Inc.
U.S.A.

J. & J. Crombie (U.S.A.) Inc.
U.S.A.

Transfer Office:

Hill Samuel Registrars Limited
6 Greencoat Place
London SW1 1PL, England

Stock Exchange(s): London

Sales & Earnings

	Net Sales	Net Income †
1987	£ 88,112,000	£ 5,033,000
1986	96,244,000	5,011,000
	No. of Com. Shares ‡	Earn. per Share ‡
1987	39,986,666	12.4 p
1986	39,986,666	11.2

£ - pound sterling.
† Including extraordinary gain of £ 456,000 (1.1p per share) in 1987 and extraordinary loss of £ 19,000 in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	4.00p	—	—
1986	3.50	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	£ 36,704,000	91.8p
1986	29,602,000	74.0

† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account (000's)

Year ended Mar. 31	1987	1986
Net sales	£ 88,112	£ 96,244
Cost of sales	71,385	80,605
Distribution costs	4,151	4,454
Adm. expenses	6,084	5,714
Interest expense (income)	(95)	407
Other income	(1,136)	(1,113)
Income before taxes	£ 7,723	£ 6,177
Income taxes	2,545	1,520
Minority interests	126	102
Net Income	£ 5,052	£ 4,555
Extraord. item	(19)	456
Net Income & extraord. item	£ 5,033	£ 5,011

* Included in Costs and Expenses, Depreciation: £ 2,272,000 in 1987 and £ 2,234,000 in 1986.

Assets (000's)

As of Mar. 31	1987	1986
Cash	£ 2,437	£ 3,629
Cert. of deposit	1,600	—
Accts. receiv., net	14,154	13,393
* Inventories	19,617	18,373
Current Assets	£ 37,808	£ 35,395
Investments	2,154	1,697
* Fixed assets	20,586	16,465
Total Assets	£ 60,552	£ 53,557

Liabilities (000's)

Accts. payable	£ 8,053	£ 8,807
Amts. owed to Group Cos.	—	3
Amts. owed to Rel. Cos.	336	18
Bills of exch. payable	442	734
Other creditors	4,405	3,823
Accruals and deferred inc.	2,855	2,790
Proposed dividends	1,145	946
Curr. Liabilities	£ 17,236	£ 17,121
Long-term liabilities	—	1,000
Other charges	2,995	2,133
Minority interest	1,617	1,701
+ Preferred stock	2,000	2,000
+ + Common stock	7,997	7,997
Cap. redemption reserve	191	191
Revaluation reserve	6,935	3,261
Surplus on acq. of subord.	5,487	5,411
Profit & loss account	16,094	12,742

Total Liabilities & Shareholders' Equity £ 60,552 £ 53,557

* At lower of cost (FIFO) or market.
* Less accumulated depreciation and amortization.
+ £ 1 par value; 4.55% cumulative.
+ + 20p par value.

Statistical Summary

% Income bef. Taxes to Sales	8.76	6.42
% Net Income to Sales	5.73	4.73
% Net Income to Equity	13.05	14.41
Sales to Inventories	4.49	5.24
Working Capital	£ 20,572,000	£ 18,274,000
Current Ratio	2.19	2.07
Shareholders' Equity	£ 38,704,000	£ 31,602,000

Imperial Chemical Industries PLC

Imperial Chemical House
Millbank, London SE1P 3JF, England
(01) 834 4444

646 Fifth Avenue
New York, New York 10022
(212) 644-9274

Officers: H.E. Miller, ICI Advanced Materials and ICI Electronics; A. Hayes, ICI Agrochemical and ICI Seeds; A.T.G. Rodgers, ICI Colours and Fine Chemicals; J.F.H. Park, ICI Films; H.M. Scopes, ICI Paints; D. Friend, ICI Pharmaceuticals; B.A. Killner, UCI Polyurethanes; B.H. Lohtenberg, ICI Speciality Chemicals; D.J. Allen, secretary; J.T. Harrison, chief financial officer; V.O. White, group solicitor; A.I.H. Pink, planning; M.E. Brogden, personnel; B.C. Hines, insurance and investments; J.D. Rush-ton, external relations.

Directors: Denys H. Henderson, chairman; Frank Whiteley, deputy chairman; David Barnes, Alan Clements, Ronnie Hampel, Chris Hampson, Tom Hutchison, Sir Robin Ibbes, Charles Reese, Sir Alex Jarratt, Walther Kiep, Sir Patrick Meaney, Sir Jeremy Morse, Shoschi Saba, Lord Thomson, Tom Wyman.

Business Activities: Textile and apparel activities include the production of polyamide (nylon), polyester fiber, "Tactel" performance fibers for use in apparel, carpet and industrial markets, and "Qazul" yarn for use in luggage and sporting equipment. Other Company activities include the production of paints, pharmaceutical products, colors and fine chemicals, petrochemicals, specialty chemicals, polyurethanes, advanced materials, plastics and polyester films, resins and coatings, industrial explosives and accessories, agrochemical products, dental products, animal health products, soda ash, vinyl chloride monomer and polyvinyl chloride, and titanium pigments. The Company also engages in finance and insurance activities and oil and gas exploration and production.

Textile Trademarks and/or Brand Names: Tactel, Qazul, Tactene.

Imperial Chemical Industries PLC

Textile Subsidiaries:

Deutsche ICI GmbH
West Germany

Manufacture of nylon and polyester fibers, pharmaceuticals, chlorine, polyurethanes, films and specialty chemicals.

ICI Holland BV
Holland

Manufacture of bulk and specialty plastics, nylon and polyester polymers and polyurethane chemicals.

ICI Pakistan Ltd. (62%-owned)
Pakistan

Manufacture of polyester staple fiber, soda ash, paints and specialty chemicals.

IEL Ltd. (51%-owned)
India

Manufacture of fertilizers, industrial explosives and accessories, polyester, fibers, paints, agrochemicals, pharmaceuticals and rubber chemicals.

AECI Ltd. (38% interest)
Republic of South Africa

Manufacture of chemicals, fertilizers, fibers, industrial explosives, paints and plastics.

Other Selected Subsidiaries:

ICI Finance PLC
England

Financial services.

Imperial Chemical Insurance Ltd.
England

Insurance services.

ICI American Holdings Inc.
U.S.A.

Manufacture of pharmaceuticals, dental products, agrochemicals, seeds, colors, films, paints, advanced materials, electronics, specialty and other chemicals.

Registrar and Transfer Office:

B.P. Mould
P.O. Box 251
Wexham Road
Slough SL2 5DP, England

American Depositary Receipt Issuer:

Morgan Guaranty Trust Company of New York
New York, New York

Stock Exchange(s): London, Paris, Zurich, Geneva, Luxembourg, Basel, Frankfurt, New York, Pacific.

Ticker Symbol: ICI (New York) * * Trades as an American Depositary Receipt

Revenues by Line of Business (000's)

	1987	1986
Consumer & specialty		
prods.	£ 4,332,000	£ 3,668,000
Industrial prods.	5,170,000	4,942,000
Agriculture	1,744,000	1,657,000
Miscellaneous	199,000	166,000
Intersegment	(322,000)	(297,000)
Total	£ 11,123,000	£ 10,136,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	41	—	—
1986	36	—	—
1985	33	—	—
1984	30	—	—
1983	24	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	£3,445,000,000	510p
1986	3,665,000,000	558
1985	3,495,000,000	538
1984	3,829,000,000	617
1983	3,342,000,000	545

Income Account* (000's)

Year ended	1987	1986
Net sales	£ 11,123,000	£ 10,136,000
Cost of sales	6,908,000	6,478,000
Distrib. costs	791,000	731,000
Expenses:		
Research and develop.	461,000	391,000
Adm. & other	1,787,000	1,582,000
Emp. profit sharing	54,000	50,000
Gov't grants	(31,000)	(33,000)
Royalty income	(31,000)	(43,000)
Other income	(113,000)	(69,000)
Interest expense	142,000	128,000
Share of profits of rel. cos.	(157,000)	(95,000)
Income before taxes	£ 1,312,000	£ 1,016,000
Income taxes	504,000	382,000
Minority interest	48,700	34,000
Net Income	£ 760,000	£ 600,000
Extraord. loss	—	(43,000)
Net Income & extraord. loss	£ 760,000	£ 557,000

* Included in Costs and Expenses. Depreciation: £ 464,000,000 in 1987 and £ 491,000,000 in 1986.

Assets (000's)

As of Dec. 31	1987	1986
Cash	£ 152,000	£ 221,000
Investments	494,000	471,000
Accts. receiv., net	1,621,000	1,627,000
Amts. owed by rel. cos.	55,000	65,000
Sundry debtors	352,000	206,000
*Stocks	2,162,000	2,015,000
Prepaid expenses	92,000	79,000
Amts. due after one yr.	42,000	38,000
Current Assets	£ 4,620,000	£ 4,441,000
Investments	417,000	333,000
*Fixed assets	3,750,000	3,912,000
Total Assets	£ 8,787,000	£ 8,686,000

Liabilities

	£	559,000	£	441,000
Short-term borrowings				
Long-term debt, curr.	46,000		74,000	
Accts. payable	838,000		772,000	
Bills of exch.	19,000		15,000	
Payments received on acct.	17,000		8,000	
Amts. owed to rel. cos.	16,000		34,000	
Other creditors	448,000		342,000	
Accruals	255,000		194,000	
Income taxes	522,000		429,000	
Other taxes	81,000		82,000	
Dividends	169,000		146,000	
Curr. Liabilities	£ 2,970,000		£ 2,537,000	
Long-term debt	1,511,000		1,538,000	
Other creditors	70,000		83,000	
Minority interest	357,000		404,000	
Deferred income	139,000		183,000	
Other liabilities	295,000		276,000	
+Common stock	676,000		657,000	
Add. paid-in capital	236,000		115,000	
Reserves	394,000		452,000	
Profit & loss acct.	1,964,000		2,476,000	
Rel. cos. reserves	175,000		(35,000)	
Total Liabilities & Shareholders' Equity	£ 8,787,000		£ 8,686,000	

* At lower of cost and net realizable value.

† Less accumulated depreciation.

+ £ 1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.80	10.02
%Net Income to Sales	6.83	5.92
%Net Income to Equity	22.06	16.37
Sales to Inventories	5.14	5.03
Debt to Equity	0.61	0.56
Working Capital	£1,650,000,000	£1,904,000,000
Current Ratio	1.56	1.75
Shareholders' Equity	£3,445,000,000	£3,665,000,000

Instrument Systems Corporation

100 Jericho Quadrangle
Jericho, New York 11753
(516) 938-5544

Officers: Harvey R. Blau, chairman; Robert Baleman, president; Herbert J. Fleming, v.p.; Susan E. Reilly, secretary; Patrick L. Alessi, treasurer.

Directors: Bertrand Bell, Abraham Buchman, Turner F. Caldwell, Roy Carol, J. Frank Stengel, Jr., William H. Waldorf, Robert Baleman, Harvey B. Blau, Clarence A. Hill, Jr., Robert Bradley, Milton Paulson, Lester L. Wolff.

Business Activities: Through its Onesta Industries subsidiary, the company manufactures and distributes basic apparel products such as T-shirts sold to screen printers, and sportswear, underwear, infantwear and other knit products primarily sold to major mass merchandisers.

Through Western Synthetic Felt, the Company manufactures synthetic batting.

Trademarks and/or Brand Names: Charleston Traders, Georgetown Classics, Onesta Power-T, Terry Bear, Soup-con.

Plant Location(s): Andrews & Fingerville, South Carolina; Kinston, North Carolina; Cullman, Alabama.

Textile Subsidiaries:

Onesta Industries
(66%-owned)
P.O. Drawer 24
Andrews, South Carolina 29510
(803) 264-5225

Western Synthetic Felt
Carson & Los Angeles, California

Sales & Earnings

	Net Sales (000's)	Net Income† (000's)
1987	£ 11,123,000	£ 760,000,000
1986	10,136,000	600,000,000
1985	10,725,000	552,000,000
1984	9,909,000	465,000,000
1983	8,256,000	397,000,000
	No. of Com. Shares	Earn. per Share† ‡
1987	676,000,000	114p
1986	657,000,000	92
1985	648,000,000	86
1984	619,000,000	98
1983	612,000,000	65

£ - pound sterling

† Excluding extraordinary items.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Transfer Agent(s):

American Stock Transfer & Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: ISY

Sales & Earnings

	Net Sales ‡	Net Income #
1988	\$ 381,080,000	\$ 8,830,000
1987	356,792,000	8,719,000
1986	237,353,000	8,102,000
1985	182,470,000	9,147,000
1984	115,374,000	6,592,000

	No. of Com. Shares	Earn. per Share # +
1988	30,636,079	\$ 0.07
1987	30,416,200	0.10
1986	30,338,067	0.25
1985	30,306,294	0.33
1984	21,394,985	0.29

‡ Of continuing operations only.

Including extraordinary gains of \$3,720,000 (\$0.12 per share \$3,720,000 (\$0.12 per share) in 1988, \$3,168,000 (\$0.10 per share) in 1987, \$3,576,000 (\$0.11 per share) in 1986, \$4,500,000 (\$0.16 per share) in 1985 and \$2,800,000 (\$0.12 per share) in 1984.

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1988	1987
Home furnishings & furn. related products	\$ 156,390,000	\$ 149,031,000
Electronic comm. equipment	50,875,000	55,254,000
Specialty plastic films	63,731,000	48,845,000
Textiles	89,693,000	83,781,000
Other prodn.	20,391,000	19,881,000
Total	\$ 381,080,000	\$ 356,792,000

Common Stock Equity

	Total Equity ‡	Equity Per Share
1988	\$ 48,331,000	\$ 1.58
1987	56,000,000	1.84
1986	52,692,000	1.74
1985	46,766,000	1.54
1984	24,066,000	1.12

‡ After allowing for preferred stock Second Series I at liquidation value.

Income Account *

Year ended Sept. 30	1988	1987
Net sales	\$ 381,080,000	\$ 356,792,000
Cost of sales	297,776,000	271,580,000
Expenses	66,875,000	68,239,000
Interest expense	4,644,000	4,705,000
Gain on pension plan rever.	(1,760,000)	—
Other income	(1,582,000)	(819,000)
Income bef. taxes	\$ 11,963,000	\$ 13,087,000
Income taxes	5,800,000	6,300,000
Minority interest	92,000	—
Inc. - cont. oper.	\$ 6,071,000	\$ 6,787,000
Loss - discont. oper.	(961,000)	(1,236,000)
Net income	\$ 5,110,000	\$ 5,551,000
Extraordinary gain	3,720,000	3,168,000
Net income & extraord. gain	\$ 8,830,000	\$ 8,719,000

* Included in Costs and Expenses, Depreciation and Amortization: \$7,761,000 in 1988 and \$7,439,000 in 1987.

Assets

As of Sept. 30	1988	1987
Cash & cash equiv.	\$ 6,947,000	\$ 10,949,000
Market securities	7,986,000	9,167,000
Accts. receiv., net	40,024,000	40,796,000
Inc. not yet billed	5,292,000	4,410,000
*Inventories	81,521,000	71,463,000
Prepaid expenses	5,722,000	4,054,000
Current Assets	\$ 147,492,000	\$ 140,839,000
#Fixed assets	45,118,000	48,201,000
Other assets	30,545,000	33,523,000
Total Assets	\$ 223,155,000	\$ 222,563,000

Liabilities

	1988	1987
Notes payable	\$ 13,672,000	\$ 13,695,000
Long-term debt, curr.	2,547,000	3,138,000
Accts. payable	29,322,000	26,710,000
Accruals	21,312,000	26,905,000
Curr. Liabilities	\$ 66,853,000	\$ 70,448,000
Long-term debt	20,883,000	22,491,000
Cap. lease oblig.	6,041,000	4,732,000
Liab. of emp. stock ownership plan	3,815,000	4,315,000
Minority interest	12,248,000	—
Redeem. pref. stock	47,917,000	47,510,000
+ Preferred stock:		
Series A	2,000	2,000
Series I	427,000	427,000
+ Common stock	7,659,000	7,604,000
Add. paid-in capital	66,023,000	77,542,000
Retained earnings (deficit)	2,559,000	(6,271,000)
Deferred comp.	(4,723,000)	(5,537,000)
Redempt. val. Series A pref. stock	(700,000)	(700,000)
Treasury stock	(5,849,000)	—
Total Liabilities & Shareholders' Equity	\$ 223,155,000	\$ 222,563,000

* At lower of cost (FIFO or average) or market.

Less accumulated depreciation.

+ \$0.25 par value.

Statistical Summary

	1988	1987
%Net Income to Equity	7.81	7.60
Sales to Inventories	4.67	4.99
Debt to Equity	0.66	0.60
Working Capital	\$ 80,639,000	\$ 70,391,000
Current Ratio	2.21	2.00
Shareholders' Equity	\$ 65,398,000	\$ 73,067,000

Operating Groups:

Apparel Manufacturing Group (Discontinued operation)

Designs, manufactures and distributes popular-priced branded and private-label sportswear, casual apparel and outer garments and headwear for men and women. The principal products for men include: woven and knit slacks, knit shirts (both sport and dress), sport coats, three-piece vested casual sport suits, rainwear, golf jackets, heavy outer garments, car coats, stadium coats, sweaters, jeans, western wear, outerwear, headwear, swim wear and walk shorts. For women: sweaters, slacks, skirts, vests, jackets, shirts, jeans, suits, dresses, pants, blouses, T-shirts, jumpers, culottes, blazers, rainwear, headwear, golf jackets, heavy outer garments, car coats and stadium coats.

Abe Schrader Corporation
New York, New York

Megastar Apparel Group
Mack Centre Drive
Paramus, New Jersey 07652
(201) 262-9100

Devon Apparel, Inc.
3300 Frankford Avenue
Philadelphia, Pennsylvania 19134
(215) 739-2000

Stuffed Shirt Inc.
1407 Broadway
New York, New York 10018
(212) 997-1000

General Retail Merchandising Group (Discontinued operation)

Operates junior department stores, discount stores, men's and women's specialty apparel shops and supermarket-type hardware, lumber and building materials stores. The principal regional trading names include: Central Hardware, Fine's, Golde's, Sky City Discount Centers, Jeans Galore, and United Shirt.

Sky City Stores, Inc.
Asheville, North Carolina

Central Hardware Company
St. Louis, Missouri

Fine's Men's Shops, Incorporated
1164 Azalea Garden Road
P.O. Box 749
Norfolk, Virginia 23501
(703) 857-6013

Golde's Department Stores, Inc.
St. Louis, Missouri

United Shirt Distributors, Inc.
1927 Michigan Avenue
Detroit, Michigan
(313) 962-9895

Footwear Manufacturing and Retailing Group

Styles, manufactures and distributes primarily men's footwear in most major price categories in the United States and Canada, and manufactures and wholesales men's footwear in Australia. Facilities include nine shoe manufacturing plants and five major distribution centers. The Company also operates 743 retail shoe stores and leased shoe departments in 40 states in the U.S., as well as in Canada, Mexico and Australia. Footwear products are also distributed in 85 foreign countries. Major footwear retail trading names include: Florsheim Shoe Shops for men, Florsheim Thayer McNeil Men's and Women's Shops, Thompson, Boland & Lee, and Express Shop. Major footwear brands for men include: Ambassador, Florsheim, Florsheim Imperial, Royal Imperial by Florsheim, Comfortech, Hy-Tech, Idlers by Florsheim, Woods from Florsheim, Julius Marlow, Outdoorsman, Winthrop, Worthmore, Converse, among others; for women: Avenues, Converse, Thayer McNeil, Florsheim, Marshmallows, among others.

The Florsheim Shoe Company
Canal, Adams & Clinton Street
Chicago, Illinois 60606
(312) 329-7500

Senack Shoes, Inc.
1248 Andes Boulevard
St. Louis, Missouri 63132
(314) 997-0330

INTERCO Incorporated

INTERCO Corporate Tower

101 South Hanley Road
St. Louis, Missouri 63105
(314) 863-1100

Officers: Harvey Saligman, chairman & chief exec. officer; Ronald L. Aylward, vice chairman; Richard B. Loynd, president & chief operating officer; Eugene F. Smith, exec. v.p.; Charles J. Rothschild, Jr., v.p.; R. Stuart Moore, v.p.; Ronald J. Mueller, v.p.; Duane A. Patterson, secretary; Robert T. Hensley, Jr., treasurer; Stanley F. Huck, controller; Keith E. Mattern, gen. counsel & asst. secretary; James K. Pendleton, asst. secretary; William R. Withrow, asst. treasurer; Russell L. Baumann, asst. controller.

Directors: Ronald L. Aylward*, Zane E. Barnes, Thomas H. O'Leary, Charles J. Rothschild, Jr., Harvey Saligman*, Robert H. Quenon, Donald E. Lassater*, Lee M. Lieberman, Marilyn S. Lewis, William E. Cornelius, Richard B. Loynd, R. Stuart Moore.

* Member of the Executive Committee

INTERCO Incorporated

Converse Inc.
North Reading, Massachusetts
Manufactures athletic footwear.

Furniture and Home Furnishings Group
Manufactures and distributes quality Broyhill furniture and home furnishings under the name of Ethan Allen/King and Restorant. There are 64 factories and 17 distribution centers and consolidated warehouses located throughout the United States. The Group also operates 34 galleries. Major retail trading names include: Carriage House, Georgetown Manor, Manor House, Broyhill Showcase Gallery and Georgetown.

Ethan Allen, Inc.
Danbury, Connecticut

Broyhill Furniture Industries, Inc.
Lenoir, North Carolina

The Lane Company, Incorporated
Altavista, Virginia
Manufactures furniture.

Transfer Agent(s):

Ameritrust Company, N.A.
One Mercantile Center, Suite 2120
St. Louis, Missouri 63101

Morgan Shareholder Services Trust Company
New York, New York 10249
(212) 587-6434

Stock Exchange(s): New York, Midwest (common shares only).

Ticker Symbol: ISS

Sales & Earnings

	Net Sales ‡ (000's)	Net Income (000's)
1989	\$ 2,011,962	\$ 70,150
1988	1,995,974	145,003
1987	1,630,918	125,774
1986	1,462,766	119,849
1985	1,422,280	95,493

	No. of Com. Shares +	Earn. per Share +
1989	38,262,000	\$ 1.53
1988	41,456,000	3.50
1987	43,312,000	2.91
1986	43,608,000	2.75
1985	44,285,000	2.16

‡ Of continuing operations only.

+ Based on the average number of common shares and common share equivalents outstanding fully diluted adjusted to reflect stock split.

Revenues by Line of Business (000's)

	1989	1988
Footwear	\$ 915,447	\$ 890,411
Furniture	1,096,515	1,105,563
Total	\$ 2,011,962	\$ 1,995,974

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1989	\$ 66.931	—	—
1988	1.60	—	—
1987	1.57	—	2-for-1
1986	1.54	—	—
1985	1.515	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity + (000's)	Equity Per Share ‡
1989	\$ (1,010,981)	\$ —
1988	1,194,224	33.01
1987	1,264,420	31.47
1986	1,214,126	29.94
1985	1,138,801	28.51

(Deficiency)

+ After allowing for preferred shares at stated values.

‡ Adjusted to reflect stock split.

Income Account * (000's)

Year ended	2/25/89	2/29/88
Net sales	\$ 2,011,962	\$ 1,995,974
Other income	18,943	13,714
Total income	\$ 2,030,905	\$ 2,009,688
Cost of sales	1,335,678	1,288,748
Expenses	523,797	493,015
Interest expense	141,735	29,188
Restruct. expenses	14,000	—
Income before taxes	\$ 15,695	\$ 198,737
Income taxes	19,977	85,303
Inc. (loss)-cont. oper.	\$ (4,282)	\$ 113,434
Inc.-discont. oper.	74,432	31,569
Net Income	\$ 70,150	\$ 145,003

* Included in Costs and Expenses, Depreciation and Amortization: \$74,201,000 in 1989 and \$40,570,000 in 1988.

‡ Restated.

Assets (000's)

As of	2/25/89	2/29/88
Cash	\$ 16,308	\$ 12,476
Marketable secur.	61,317	10,823
Accts. receiv., net	329,299	310,053
*Inventories	490,967	514,193
Prepaid expenses & other current assets	41,625	24,984
Net assets-discont. oper.	248,361	382,742
Current Assets	\$ 1,187,877	\$ 1,255,271
#Fixed assets	327,070	317,238
Other assets	162,344	118,989
Total Assets	\$ 1,775,302	\$ 1,830,400

Liabilities (000's)

Notes payable	\$ 6,017	\$ 70,517
Long-term debt, curr.	509,961	4,816
Accts. payable	99,231	105,165
Accrued compensation	27,317	33,021
Accrued interest	35,339	3,568
Other accruals	53,618	35,622
Income taxes	4,785	16,606
Curr. Liabilities	\$ 736,268	\$ 269,315
Long-term debt	1,169,929	257,327
Debentures	808,657	—
Cap. lease oblig.	8,251	8,864
Other long-term liabilities	57,947	43,557
+Preferred stock	5,231	57,113
++Common stock	155,088	155,088
Add. paid-in capital	179,337	44,539
Retained earnings (deficit)	(1,208,250)	1,179,964
Treasury stock	(137,156)	(185,367)
Total Liabilities & Shareholders' Equity	\$ 1,775,302	\$ 1,830,400

* At lower of cost (FIFO) or market, except footwear at LIFO.

Less accumulated depreciation.

‡ No par value. Series D-\$7.75 cumulative convertible; Series E-17.5% dividend.

++ \$3.75 stated value.

Statistical Summary

%Net Income to Equity	—	11.59
Sales to Inventories	4.10	3.88
Debt to Equity	—	0.27
Working Capital (000's)	\$ 451,609	\$ 985,956
Current Ratio	1.61	4.66
Shareholders' Equity (000's)	\$ (1,005,750)	\$ 1,251,337

Jay Jacobs, Inc.

1530 5th Avenue
Seattle, Washington 98101
(206) 621-5400

Officers: Jay Jacobs, chairman; Douglas A. Swerland, president; Craig Bohman, exec. v.p. & treasurer; Doris Williams, sr. v.p.-administration & secretary; Larry Youngren, sr. v.p.-store planning; Celestina Sze, v.p. & managing dir.-D.D. Sloane; Charles E. Murphy, v.p..

Directors: Jay Jacobs, chairman; Craig Bohman, Douglas A. Swerland, Doris Williams, Larry Youngren, Irving Stanislaw, Robert O'Brien.

Business Activities: Through its D.D. Sloane, Inc. subsidiary, the Company designs, contracts for the manufacture of, and markets women's sportswear, dresses and accessories which are sold to specialty retailers and department stores, as well as through the company's 162 specialty retail stores located in 11 western states.

Trademarks and/or Brand Names: D.D. Sloane, J. Jordan, Private Edition, Sloane Sport, Jay Jacobs.

D.D. Sloane, Inc.
D.D. Sloane (H.K.) Ltd.
Jay Jacobs of California, Inc.

Transfer Agent(s):

First Interstate Bank of Washington, N.A.
999 Third Avenue
Seattle, Washington 98104

Stock Exchange(s): Over-the-Counter

Ticker Symbol: JAYJ (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1989	\$ 101,657,000	\$ 2,926,000
1988	103,738,000	2,459,000
1987	93,393,000	3,508,000
1986	81,147,000	2,150,000
1985	70,595,000	1,016,000

	No. of Com. Shares +	Earn. per Share ‡
1989	5,794,913	\$ 0.50
1988	5,794,913	0.42
1987	4,785,689	0.69
1986	4,439,400	0.42
1985	4,459,650	0.20

+ Adjusted to reflect stock split.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Apparel retail	\$ 87,304,000	\$ 82,468,000
Apparel wholesale	17,605,000	24,485,000
Intersegment	(3,252,000)	(3,215,000)
Total	\$ 101,657,000	\$ 103,738,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share †
1989	\$ 28,285,000	\$ 4.88
1988	25,359,000	4.38
1987	11,947,977	2.50
1986	7,516,633 †	1.69
1985	5,446,196 †	1.22

† After allowing for preferred stock at stated value.
‡ Adjusted to reflect stock split.

Income Account *

Year ended Feb. 28	1989	1988
Net sales	\$ 101,657,000	\$ 103,738,000
Cost of sales	72,517,000	74,559,000
Expenses	25,267,000	25,089,000
Interest expense	—	243,000
Interest income	(685,000)	(422,000)
Income before taxes	\$ 4,558,000	\$ 4,275,000
Income taxes	1,632,000	1,816,000
Net Income	\$ 2,926,000	\$ 2,459,000

* Included in Costs and Expenses, Depreciation and Amortization: \$3,011,000 in 1989 and \$2,604,000 in 1988.

Assets

As of Feb. 28	1989	1988
Cash	\$ 11,489,000	\$ 7,231,000
Accts. receiv., net	3,361,000	4,074,000
Refundable taxes	439,000	1,975,000
* Inventories	10,855,000	11,773,000
Prepaid expenses	62,000	68,000
Deferred inc. taxes	144,000	127,000
Current Assets	\$ 26,350,000	\$ 25,248,000
# Fixed assets	11,658,000	10,030,000
Total Assets	\$ 38,008,000	\$ 35,278,000

Liabilities

Accts. payable	\$ 6,759,000	\$ 7,259,000
Accrued payroll	916,000	969,000
Other accruals	1,378,000	1,183,000
Curr. Liabilities	\$ 9,053,000	\$ 9,411,000
Deferred credits:		
Income taxes	92,000	179,000
Rents	540,000	269,000
Other	38,000	60,000
+ Common stock	12,123,000	12,123,000
Retained earnings	16,162,000	13,236,000
Total Liabilities & Shareholders' Equity	\$ 38,008,000	\$ 35,278,000

* At lower of cost or market.
* Less accumulated depreciation and amortization.
† \$0.01 par value.

Statistical Summary

% Income bef. Taxes		
to Sales	4.48	4.12
% Net Income to Sales	2.88	2.37
% Net Income to Equity	10.34	9.70
Sales to Inventories	9.36	8.81
Working Capital	\$ 17,297,000	\$ 15,837,000
Current Ratio	2.91	2.68
Shareholders' Equity	\$ 28,285,000	\$ 25,359,000

Jetronic Industries, Inc.

4200 Mitchell Street
Philadelphia, Pennsylvania 19128
(215) 482-7660

Officers: Daniel R. Kursman, chairman of the board, president & treasurer; Jerome I. Kursman, v.p. & secretary; Leonard W. Pietrzak, v.p.-finance; Peter J. Kursman, chairman-Ross Matthews Corporation; William L. Weiss, general counsel.

Directors: Daniel R. Kursman, chairman; Jerome I. Kursman, Peter Kursman, Herbert Myers, William L. Weiss.

Business Activities: Through Ross Matthews Corporation, the Company is engaged in the manufacture and sale of narrow tapes, shock cords, industrial straps and related products. Products consist of braided and flat woven natural and synthetic yarns used primarily in the automotive, marine, garment, toy, camera, and defense industries. Other Company activities involve the design, manufacture and sale of electronic equipment and the retail sale of furniture and major appliances through two company-owned stores.

Plant Location(s): Fall River, Massachusetts.

Subsidiaries:

Ross Matthews Corporation
Fall River, Massachusetts

Harry Levin, Inc.
Philadelphia, Pennsylvania
Engaged in the retail furniture and appliance business in the Philadelphia, PA area.

Redco, Inc.
Manufactures and markets control panels and switchgear primarily for use in diesel power electrical generators.

Transfer Agent(s):

Continental Stock Transfer Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: JET

Sales & Earnings

	Revenues †	Net Income +
1989	\$ 50,346,000	\$ (173,000)
1988	52,084,000	(5,337,000)
1987	50,072,000	1,007,000
1986	43,660,000	1,510,000
1985	40,551,000	1,091,000

	No. of Com. Shares ‡	Earn. per Share + ‡
1989	2,457,000	\$ —
1988	2,457,000	—
1987	2,457,000	0.41
1986	2,454,000	0.62
1985	2,386,000	0.46

(Loss)
† Of continuing operations only.
+ Including extraordinary gain of \$48,000 in 1989.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues by Line of Business (000's)

	1989	1988
Jetronic:		
Electronic communication & navigation equipment	\$ 10,619	\$ 12,986
Energy conversion products group	21,436	17,349
Levin Group:		
Retail furniture & appliances	14,052	17,228
Narrow fabrics & tapes	4,239	4,521
Total	\$ 50,346	\$ 52,084

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	10%	—
1986	—	10%	—
1985	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1989	\$ 6,939,000	\$ 2.82
1988	7,183,000	2.92
1987	12,432,000	5.06
1986	11,298,000	4.60
1985	9,598,000	4.02

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *

Year Ended Jan. 31	1989	1988
Net sales	\$ 49,284,000	\$ 51,014,000
Other income	1,062,000	1,070,000
Total income	\$ 50,346,000	\$ 52,084,000
Cost of sales	38,479,000	39,288,000
Expenses	10,819,000	15,889,000
Prov. for doubtful accts.	548,000	578,000
Interest expense	1,871,000	1,833,000
Restruct. costs	1,381,000	1,254,000
Gain on prop. dispos.	(2,021,000)	—
Loss before taxes	\$ (531,000)	\$ (6,758,000)
Income taxes (credit)	15,000	(1,257,000)
Loss from cont. oper.	\$ (546,000)	\$ (5,501,000)
Income from discont. oper.	105,000	184,000
Net Loss	\$ (441,000)	\$ (5,337,000)
Extraord. gain	68,000	—
Cum. effect of acct. change	200,000	—
Net Loss & extraord. gain	\$ (173,000)	\$ (5,337,000)

* Included in Costs and Expenses, Depreciation and Amortization: \$721,000 in 1989 and \$914,000 in 1988.

Assets

As of Jan. 31	1988	1987
Cash	\$ 686,000	\$ 628,000
Accts. receiv., net	12,741,000	15,198,000
* Inventories	10,895,000	16,620,000
Income tax refund receiv.	—	655,000
Prepaid expenses	1,270,000	1,045,000
Current Assets	\$ 25,592,000	\$ 34,146,000
# Fixed assets	2,479,000	3,328,000
Other assets	1,184,000	629,000
Goodwill	1,121,000	1,499,000
Total Assets	\$ 30,376,000	\$ 39,602,000

Jetronic Industries, Inc.

Liabilities		
Notes payable	\$ 10,542,000	\$ 14,762,000
Long-term debt, curr.	441,000	674,000
Accts. payable	3,397,000	3,136,000
Accrued payroll	314,000	329,000
Other accruals	1,972,000	5,994,000
Current Liabilities	\$ 16,666,000	\$ 24,895,000
Long-term debt	6,771,000	7,215,000
Minority interest	—	309,000
+Common stock	246,000	246,000
Add. paid-in capital	9,473,000	9,473,000
Cum. trans. adjust.	—	71,000
Retained earnings (deficit)	(2,522,000)	(2,349,000)
Exercise of stock options	(258,000)	(258,000)
Total Liabilities & Shareholders' Equity	\$ 30,376,000	\$ 39,602,000

* At lower of cost (LIFO) or market; inventories of narrow fabrics and tape stated at FIFO.
 ‡ Less accumulated depreciation and amortization.
 ++ \$0.10 par value.

Statistical Summary		
Sales to Inventories	4.52	1.07
Debt to Equity	2.56	1.00
Working Capital	\$ 8,926,000	\$ 9,251,000
Current Ratio	1.54	1.37
Shareholders' Equity	\$ 6,939,000	\$ 7,183,000

John Lewis plc

4 Old Cavendish Street
 London W1A 1EX, England

Directors: P. T. Lewis, chairman; J. S. Sadler, deputy chairman; I. A. J. Anderson, W. N. Wreford-Brown, J. R. Cloake, P. Falconer, L. H. Fletcher, J. B. Foster, S. Hampson, G. P. K. Miller, B. A. O'Callaghan, D. J. Rawings, Betty E. Dickinson, secretary.

Business Activities: Manufactures textile products which are sold through the Company's 22 department stores in England and Scotland. The Company is also engaged in wholesale and export trade in textiles and operates 85 Waitrose supermarkets in England.

Plant Locations: Darwen, Carlisle, England.

Subsidiaries:

John Lewis Properties plc
 Waitrose Limited
 Cavendish Textiles Limited
 Stead, McAlpin & Company Limited
 Herbert Parkinson Limited
 John Lewis Overseas Limited

Acquisition:

J.H. Birtwistle & Company Limited
 Manufactures fine grey cloth.

Transfer Office:

John Lewis plc
 4 Old Cavendish Street
 London W1A 1EX, England

Stock Exchange(s): London

Sales & Earnings		
	Net Sales (000's)	Net Income (000's)
1989	£ 1,917,682	£ 57,360
1988	1,724,834	47,290
1987	1,568,373	39,294
1986	1,369,593	29,966
1985	1,206,223	26,374

	No. of Com. Shares	Earn. per Share
1989	6,750,000	£ 8.52
1988	6,750,000	7.04
1987	6,750,000	5.82
1986	6,750,000	4.44

£ -pound sterling.

Common Stock		
	Cash Dividend	Stock Dividend
1989	3.0p	—
1988	6.7	—
1987	7.4	—
1986	10.7	—

Common Stock Equity		
	Total Equity ‡ (000's)	Equity Per Share
1989	£ 589,787	£ 87.38
1988	543,803	80.56
1987	396,918	58.80
1986	259,303	53.23

‡ After allowing for preferred stock at stated value.

Income Account * (000's)		
Year ended Jan. 31	1989	1988
Net sales	£ 1,917,682	£ 1,724,834
Value added tax	163,993	146,628
Total income	£ 1,751,689	£ 1,578,206
Cost of sales	1,243,397	1,128,559
Expenses:		
Selling & distr.	324,893	283,898
Administrative	35,539	26,627
Other oper. inc.	(6,298)	(1,810)
Pension costs	16,709	14,654
Interest expense	7,947	4,971
Partnership bonus	47,405	46,222
Income before taxes	£ 84,097	£ 75,085
Income taxes	26,537	27,556
Net Income	£ 57,560	£ 47,529

* Included in Costs and Expenses, Depreciation: £ 25,782,000 in 1989 and £ 20,919,000 in 1988.

Assets (000's)		
As of Jan. 31	1989	1988
Cash	£ 2,425	£ 5,691
Investments	—	12,703
*Stocks	160,182	142,718
Debtors	135,831	119,837
Current Assets	£ 298,438	£ 280,949
Investment in affil. co.	3,086	2,395
*Fixed assets	623,571	539,223
Total Assets	£ 925,095	£ 822,567

Liabilities (000's)		
Bank loans & overdrafts	£ 20,000	£ 9,207
Accts. payable	102,199	68,304
Holding company	1,339	1,054
Other payables	17,963	12,458
Taxes & social security	68,514	66,532
Accruals & deferred income	16,174	15,844
Proposed dividend	200	430
Partnership bonus	47,498	46,224
Cur. Liabilities	£ 273,809	£ 220,073

Long-term debt	59,149	56,441
+Preferred stock:		
5% first cumulative	1,500	1,500
7% cumulative	730	730
+Common stock	6,730	6,730
Share premium account	3,277	3,277
Revaluation reserve	169,227	176,497
Other reserves	1,365	1,365
Profit and loss account	409,168	355,914

Total Liabilities & Shareholders' Equity	£ 925,095	£ 822,567
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* At lower of cost or net realizable value.
 ‡ Less accumulated depreciation.
 + No par value.
 ++ £ 1 par value.

Statistical Summary		
% Income bef. Taxes	4.39	4.35
% Sales	3.00	2.76
% Net Income to Sales	9.72	8.70
% Net Income to Equity	11.97	12.09
Sales to Inventories	0.13	0.12
Debt to Equity	£ 24,529,000	£ 60,876,000
Working Capital	1.09	1.28
Current Ratio	£ 592,037,000	£ 546,053,000
Shareholders' Equity		

Johnston Industries, Inc.

(46.5%-owned by Redlaw Industries, Inc.)

30 Rockefeller Plaza
 New York, New York 10020
 (212) 247-5460

Officers: David L. Chandler, chairman of the board; D. Irving Obrow, president & chief exec. officer; Rainer H. Boselmann, vice, chairman, Charles E. Wieser, sr. v.p., finance & administration; Austin List, sr. v.p., William D. Benn, treasurer & secretary.

Directors: David L. Chandler, chairman, Rainer H. Boselmann, William J. Hart, D. Irving Obrow, Lloyd O. Harris, Jr., Gaines R. Jeffcoat, Austin List, S.A. Spencer, Geoffrey R. White, Charles E. Wieser.

Business Activities: Manufactures textiles for the industrial, home furnishings, and apparel industries.

Plant Location(s): Opp, Phenix City, Alabama.

Divisions and Subsidiaries:

Southern Phenix Textiles, Inc.
 Phenix City, Alabama
 Manufactures woven fabrics from 100% polyester for use primarily in the automotive industry, in the bedding and furniture industries, and for the coating and laminating trades. Products include backings for foam car seat cushions, tufted upholstery and marine coated products, mattress ticking for popularly priced mattresses, and products for use in soft furniture.

Opp and Micoles Mills, Inc.
 Opp, Alabama
 Manufactures more than 50 different styles (in the greige state) of all cotton fabric and cotton/polyester blended fabrics for the coating, home furnishing and apparel markets. Products include coated fabrics for car interiors, raincoats, firemen's gear, and apparel and specialty items such as luggage, handbags, and shoes.

Transfer Agent(s):

The Bank of New York
 48 Wall Street
 New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: JII

Sales & Earnings

	Net Sales+	Net Income
1988	\$ 122,580,000	\$ 9,478,000
1987	110,157,000	8,374,000
1986	100,437,000	9,648,000
1985	101,429,000	5,586,000
1984	10,996,000	635,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	3,338,000	\$ 2.84
1987	3,222,000	2.60
1986	3,212,000	3.00
1985	2,459,000	2.27
1984	1,922,000	0.33

+ Of continuing operations only.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 52,926,000	\$ 15.68
1987	42,235,000	13.09
1986	33,691,000	10.49
1985	24,043,000	7.49
1984	11,020,000	5.73

Income Account
(000's)

Year ended June 30	1988	1987
Net sales	\$ 122,580	\$ 110,157
Cost of sales	93,325	80,403
Expenses	8,112	8,179
Depreciation & amortization	4,064	3,252
Other expense	834	936
Income before taxes	\$ 16,245	\$ 17,387
Income taxes	8,767	8,054
Inc. - cont. oper.	\$ 9,478	\$ 9,333
Loss - discont. oper.	—	(959)
Net income	\$ 9,478	\$ 8,374

Assets
(000's)

As of June 30	1988	1987
Cash	\$ 15,329	\$ 16,396
Accts. receiv., net	11,721	10,876
*Inventories	20,504	19,325
Deferred inc. taxes	497	1,280
Prepaid expenses	691	962
Current Assets	\$ 48,742	\$ 48,539
Invest. in assoc. co.	8,307	8,721
*Fixed assets	33,737	25,868
Other assets	1,595	2,688
Total Assets	\$ 92,381	\$ 85,816

Liabilities
(000's)

Long-term debt, curr.	\$ 3,490	\$ 3,400
Accts. payable	8,174	5,911
Accruals	5,395	7,958
Income taxes	1,439	188
Curr. Liabilities	\$ 18,498	\$ 17,457

Long-term debt	15,000	18,490
Other liabilities	7,957	7,633
+Common stock	354	339
Add. paid-in capital	15,961	14,089
Retained earnings	37,672	28,194
Receiv. for stock issued	(675)	—
Treasury stock	(386)	(386)

Total Liabilities & Shareholders' Equity	\$ 92,381	\$ 85,816
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* At lower of cost (LIFO) or market.

‡ Less accumulated depreciation.

+ \$0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.25	—
%Net Income to Sales	7.73	—
%Net Income to Equity	17.91	19.83
Sales to Inventories	5.98	5.70
Debt to Equity	0.35	0.52
Working Capital	\$ 32,244,000	\$ 31,082,000
Current Ratio	2.95	2.78
Shareholders' Equity	\$ 52,926,000	\$ 42,236,000

Jostens, Inc.

5501 Norman Center Drive
Minneapolis, Minnesota 55437
(612) 830-3300

Officers: H. William Lurton, chairman of the board & chief executive officer; Don C. Lem, president & secretary; Gary L. Buckmiller, sr. v.p.-education; Fred D. Bjork, v.p. & gen. mgr.-printing & publishing; Larry N. Bradford, sr. v.p.-human resources; Orville E. Fisher, Jr., sr. v.p.-legal & development; Louis G. Foye, v.p.-development; Gerald A. Haugen, v.p.-finance & chief financial officer; Charles R. Herrmann, v.p.-sales development; Roger D. Peters, v.p. & gen. mgr.-Artes; Robb L. Prince, v.p. & treasurer; James C. Waggoner, sr. v.p. & gen. mgr.-Scholastic; Elton F. Bullock, Jr., v.p.-public affairs; Donald J. Dally, v.p. & gen. mgr.-Recognition; Bruce L. Pratt, v.p. & gen. mgr.-Jostens Canada Ltd.; Larry R. Stewart, v.p. & gen. mgr.-Prescription Learning Corporation.

Directors: H. William Lurton, chairman; Robert P. Jensen, Don C. Lem, John M. Pitblado, John W. Stodder, William A. Andres, Lilyan H. Affinito.

Textile & Apparel Business Activities: Through its Artes subsidiary, the Company is engaged in the manufacture of custom-imprinted sportswear, including T-shirts, jerseys, shorts, sport shirts, sweatshirts, jackets, and fleece pullovers and pants for college, military, theme park and retail markets. The Company also produces class rings, yearbooks, graduation products, customized sales and service awards, student photography packages, athletic awards, and computer-based educational products and services.

Trademarks and/or Brand Names: Artes.

Plant Locations: Abilene, Manhattan, Overland Park, Yates Center, Kansas; Boonville, Missouri.

Textile/Apparel Divisions and Subsidiaries:

Artes Manufacturing
7600 Wadd
Overland Park, Kansas 66204
(913) 631-4040

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
161 North Concord Exchange
P.O. Box 738
South St. Paul, Minnesota 55075-0738

Norwest Trust Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: JOS

Sales & Earnings

	Net Sales +	Net Income ‡
1988	\$ 540,000,000	\$ 88,761,000
1987	505,200,000	44,712,000
1986	505,200,000	40,315,000
1985	402,000,000	37,985,000
1984	381,000,000	35,150,000

	No. of Com. Shares †	Earn. per Share ‡
1988	35,700,000	\$ 2.48
1987	35,800,000	1.22
1986	41,500,000	0.95
1985	43,400,000	0.88
1984	43,200,000	0.81

+ Of continuing operations only.

‡ Including extraordinary gain of \$2,228,000 (\$0.06 per share) in 1988.

† Adjusted to reflect stock splits.

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1988	\$ 0.56	—	—
1987	0.48	—	—
1986	0.44	—	—
1985	0.40	—	3-for-2
1984	0.35	—	—

† Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1988	\$ 175,703,000	\$ 4.92
1987	112,900,000	3.15
1986	192,900,000	4.65
1985	199,000,000	4.59
1984	177,500,000	4.11

† Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended June 30	1988	1987
Net sales	\$ 560,022	\$ 505,151
Cost of sales	287,799	251,752
Expenses	195,834	179,329
Interest expense	4,834	8,183
Income before taxes	\$ 71,535	\$ 65,887
Income taxes	27,185	31,697
Inc.-cont. oper.	\$ 44,350	\$ 34,190
Inc.-discont. oper.	42,183	10,522
Net income	\$ 86,533	\$ 44,712
Extraord. gain	2,228	—
Net income & extraord. gain	\$ 88,761	\$ 44,712

* Included in Costs and Expenses, Depreciation and Amortization: \$12,624,000 in 1988 and \$12,873,000 in 1987.

Assets
(000's)

As of June 30	1988	1987
Cash & marketable secur.	\$ 140,556	\$ 80,247
Accts. receiv., net	80,229	80,385
*Inventories	83,832	69,744
Prepaid expenses	6,183	2,571
Discont. oper.	—	22,277
Current Assets	\$ 310,800	\$ 255,224

Jostens, Inc.

# Fixed assets	53,558	46,596
Intangibles	24,251	22,398
Deferred charges	11,149	9,260
Deferred inc. taxes	730	—
Investment in CareerCom	6,727	12,569
Other assets	5,817	4,954
Discont. oper.	—	14,670
Total Assets	\$ 407,215	\$ 360,717

Liabilities (000's)		
Long-term debt, curr.	\$ 17,663	\$ 11,552
Accts. payable	13,920	9,638
Salaries, wages & commissions	17,824	20,883
Customer deposits	28,253	24,757
Other accruals	27,090	23,628
Dividends payable	4,997	4,299
Income taxes	29,522	27,695
Discont. oper.	—	6,854
Current Liabilities	\$ 139,269	\$ 129,306
Long-term debt	92,243	109,016
Deferred inc. taxes	—	6,703
Discont. oper.	—	2,800
+ Common stock	11,903	11,943
Add. paid-in capital	12,770	10,484
Retained earnings	151,030	91,020
Foreign curr. translation adj.	—	(555)
Total Liabilities & Shareholders' Equity	\$ 407,215	\$ 360,717

* At lower of cost (FIFO) or market, gold inventories at LIFO cost.
 ‡ Less accumulated depreciation.
 + \$0.33 1/3 par value.

Statistical Summary

% Net Income to Equity	69.25	39.61
Sales to Inventories	6.68	7.24
Debt to Equity	0.63	1.07
Working Capital	\$ 171,531,000	\$ 125,918,000
Current Ratio	2.23	1.97
Shareholders' Equity	\$ 175,703,000	\$ 112,892,000

Jumping-Jacks Shoes, Inc.

100 Fifth Street
 Monett, Missouri 65708
 (417) 235-3122

Officers: John C. McPhee, president & chief executive officer; Gerald A. McCaffrey, exec. v.p. & gen. mgr.; J. Wayne Fields, sr. v.p.-finance; Charles E. Hinkle, v.p.-administration & treasurer; Rose Mary Lobato, v.p. & gen. mgr.-Bernardo Division; James B. Pedley, v.p.-retail; Mario E. Moreno, v.p. & gen. mgr.-Jumping-Jacks Shoes Puerto Rico, Inc.; John J. McPhee, corp. v.p.; John E. Schaeffer, secretary.

Directors: John C. McPhee, Gerald A. McCaffrey, Rose Mary Lobato, Houston L. Hartley, Wilbur N. Lenz, Charles L. Smith.

Business Activities: Designs, manufactures, imports, distributes and retail children's and women's footwear. The Company retails footwear through 27 company owned and operated stores, a small number of which also retail apparel, including fashionable clothing for boys under the "Jumping-Jacks" label.

Trademarks and/or Brand Names: Jumping-Jacks, Baby Capzio, Little Capzio, Bernardo, Baby Jacks, Sundies, Mosens.

Transfer Agent(s):

Bank of America
 San Francisco, California

Stock Exchange(s): American

Ticker Symbol: JJS

Sales & Earnings x

	Net Sales	Net Income
1988	\$ 41,144,000	\$ (2,280,000)
1987	39,291,000	(401,000)
1986	41,657,000	843,000
1985	34,925,000	1,078,000
1984	33,196,000	1,984,000

No. of Com. Shares ‡
 1988 2,675,000
 1987 2,675,000
 1986 2,675,000
 1985 2,338,000
 1984 2,000,000

† Restated to reflect change in inventory accounting method.
 * Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	—
1986	—	—	—
1985	—	—	200-for-275

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 7,940,000	\$ 2.97
1987	10,220,000	3.82
1986	10,525,000	3.91
1985	9,318,000	3.99
1984	4,640,000	2.32

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year Ended	1988	1987
Apr. 30		
Net sales	\$ 41,144,054	\$ 39,290,601
Cost of sales	28,742,866	28,677,419
Expenses	12,766,360	11,743,228
Other income	(339,872)	(225,508)
Loss before taxes	\$ (2,027,234)	\$ (145,976)
Income taxes	253,000	255,500
Net Loss	\$ (2,280,234)	\$ (401,476)

‡ Restated.
 * Included in Costs and Expenses, Depreciation and Amortization: \$895,854 in 1988 and \$704,555 in 1987.

Assets

As of Apr. 30	1988	1987
Cash	\$ 693,987	\$ 372,864
Accts. receiv., net	4,270,283	3,647,149
* Inventories	18,719,801	17,260,311
Prepaid expenses	978,108	787,228
Current Assets	\$ 22,662,179	\$ 22,067,554
# Fixed assets	4,294,235	4,252,080
Other assets	838,252	705,242
Total Assets	\$ 27,794,666	\$ 27,024,856

Liabilities

Revolv. credit agree.	\$ 8,600,000	\$ 4,399,990
Long-term debt, curr.	683,862	694,826
Accts. payable	1,255,783	1,612,754
Accruals	1,132,884	1,300,077
Income taxes	—	204,014
Current Liabilities	\$ 11,672,529	\$ 8,201,621
Long-term debt	7,862,023	8,420,887
Deferred inc. taxes	319,885	181,885
+ Common stock	28,750	28,750
Add. paid-in capital	3,945,333	3,945,333
Retained earnings	3,968,146	6,248,380
Total Liabilities & Shareholders' Equity	\$ 27,794,666	\$ 27,024,856

* At lower of cost (FIFO) or market.
 ‡ Less accumulated depreciation and amortization.
 + \$0.01 par value.

Statistical Summary

Sales to Inventories	2.46	2.28
Debt to Equity	1.08	0.89
Working Capital	\$ 10,989,650	\$ 13,865,933
Current Ratio	1.94	2.69
Shareholders' Equity	\$ 7,940,229	\$ 10,220,463

Kellwood Company

600 Kellwood Parkway
 St. Louis, Missouri 63017
 (314) 576-3100

Mailing Address:
 P.O. Box 14374
 St. Louis, Missouri 63178

Officers: Fred W. Wenzel, chairman of the board; William J. McKenna, president & chief exec. officer; Eugene D. Johnson, v.p.; James E. Jacobson, v.p.-finance & administration; Robert A. Maddocks, v.p., secretary & general counsel; Bud Berman, v.p.-corp. development; Roger D. Joseph, treasurer; Lawrence E. Hummel, controller.

Directors: Fred W. Wenzel*, chairman; Edward S. Bottom, Richard P. Conery, William L. Davis*, James C. Jacobsen*, James S. Marcus, William J. McKenna*, John T. Cullen, James J. Kerley, T.F. Ying.

* Member of the Executive Committee

Business Activities: Manufactures consumer products which include apparel for men, women and children and other soft goods for the home, and recreation products.

Trademarks and/or Brand Names: Name Droppers, Finesse, Sir Jac, Kicks, Northfield, WeatherRough, Hillary, Kelly, Cape Cod Matchmates, Cricket Lane, American Collections Ltd., Parsons Place, Sag Harbor, Take 1, Mazurka, Punch Line, Across the Street, Block Island, Reebuck, Denver Jean, Sanson, Cape Cod Country Club, American Outbreak, ALCAZAR U.S.A., Melrose, Index, En Chante, En Chante Kids, Arthur Arthur, Bedkins, Robert Scott Ltd., David Brooks Ltd., Ilse Stevens, Donna Richards, Wenzel, Pinnacle, Ridgeway.

Plant Locations: Phil Campbell, AL, Lenoire, AR, Los Angeles (2), CA; Culbert, Perry, Lyons, GA; Morgantown, KY; West Bridgewater, Dedham, MA; Calhoun City, Coffeyville, Fernwood, McComb, Monticello, Summit, MS; Glasglo, New Haven, MO; Milford, Asheville, Fletcher, NC; Altus, Clinton, Pools Valley, OK; Greenfield, Monroville, Rutherford, TN; Minola, TX; St. George, UT; Lewisburg, Spencer, WV; LaRomana (2), Santo Domingo, Dominican Republic; Port-au-Prince, Haiti; Kowloon (2), Hong Kong; Kaohsiung (2), Taiwan; Colombo, Sri Lanka.

Divisions:

Home Fashions Division
 200 Sears Road
 Perry, Georgia 31069
 * Bedspreads, comforters, draperies and other textile products for the home. Plants located in Perry and Culbert, Georgia; Clinton, Oklahoma; Lewisburg, West Virginia.

Lingerie/Active Sportswear Division
1403 Old Highway 51N
Summit, Mississippi 39666

Pants, Jeans & Sweaters Division
210 Bob Rankopf Drive
Fletcher, North Carolina 28732

Sportswear/Outerwear Division
302 N. Trenton Street
Rutherford, Tennessee 38369

Recreation Division
1224 Fern Ridge
St. Louis, Missouri 63141

Subsidiaries:

Kellwood Asia Limited
55 King Yip Street
Kwun Tong, Kowloon, Hong Kong
Manufactures high quality shirts and blouses for retailers and manufacturers.

Smart Shirts Limited
55 King Yip Street
Kwun Tong, Kowloon, Hong Kong
Manufactures high quality shirts and blouses for retailers and manufacturers.

Smart Shirts (Lanka) Limited
Colombo, Sri Lanka
Manufactures jeans, shirts and blouses.

Cape Cod-Cricket Lane, Inc.
400 Manley Street
P.O. Box 542
West Bridgewater, Massachusetts 02379
Manufactures and markets popular-priced women's coordinated sportswear.

Parsons Plince Apparel Company Ltd.
520 8th Avenue
New York, New York 10018
Designs, manufactures and markets women's missy, junior, and special size separates.

EZ Sportswear
9419 Mason Avenue
Chatsworth, California 91311
Designs and markets fashionable career apparel under the labels Melrose and Index. Through its subsidiary, En Chante, Inc., creates and markets moderately priced junior and children's casual and weekend wear under the labels En Chante, En Chante Kids, and Arthur-Arthur.

Robert Scott Ltd., Inc.
Dedham, Massachusetts
Designs and markets ladies' better knitwear.

David Brooks Ltd., Inc.
Dedham, Massachusetts
Markets ladies' better sportswear and men's trousers.

Andrew Harvey Ltd.
Dedham, Massachusetts
Sells better quality ladies' shirts, woven blouses and sportstyle dresses.

G and O Mfg. Co.
New York, New York
Designs and merchandises better nightwear.

Acquisition:

American Recreation Products, Inc.
1224 Fern Ridge
St. Louis, Missouri 63141
Manufactures, markets and distributes camping products, including sleeping bags, tents, and backpacks.

Transfer Agent(s):

Ameritrust Company, N.A.
Corporate Trust Division
P.O. Box 6477
Cleveland, Ohio 44101-1477

Stock Exchange(s): New York

Ticker Symbol: KWD

Sales & Earnings

	Net Sales	Net Income
1988	\$ 698,156,000	\$ 30,208,000
1987	571,861,000	25,251,000
1986	502,106,000	19,162,000
1985	466,940,000	15,510,000
1984	452,111,000	14,563,000
	No. of Com. Shares #	Earn. per Share #
1988	11,571,107	\$ 2.61
1987	11,456,148	2.20
1986	9,488,742	2.02
1985	9,189,492	1.69
1984	10,789,263	1.35

Based on the average number of shares outstanding adjusted to reflect stock splits.

Revenues by Line of Business (000's)

	1988	1987
Apparel	\$ 552,001	\$ 434,484
Apparel-Far East	146,155	137,377
Total	\$ 698,156	\$ 571,861

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1988	\$ 0.63	—	—
1987	0.544	—	—
1986	0.44	—	2-for-1
1985	0.35	—	—
1984	0.283	—	—

† Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 164,280,000	\$ 14.44
1987	157,791,000	13.38
1986	130,715,000	11.97
1985	95,988,000	11.06
1984	102,505,000	9.44

‡ Adjusted to reflect stock splits.

Income Account *

Year ended Apr. 30	1988	1987
Net sales	\$ 698,156,000	\$ 571,861,000
Cost of sales	555,281,000	462,038,000
Expenses	85,221,000	65,639,000
Amort of intangibles	5,429,000	3,098,000
Interest expense	12,070,000	8,271,000
Other income	(4,418,000)	(5,563,000)
Income before taxes	\$ 44,573,000	\$ 38,378,000
Income taxes	14,365,000	13,127,000
Net Income	\$ 30,208,000	\$ 25,251,000

* Included in Costs and Expenses, Depreciation and Amortization: \$13,869,000 in 1988 and \$11,975,000 in 1987.

Assets

As of April 30	1988	1987
Cash	\$ 64,455,000	\$ 42,943,000
Receiv. net	76,179,000	66,226,000
Inventories	123,403,000	101,177,000
Prepaid expenses	12,750,000	13,853,000
Current Assets	\$ 276,787,000	\$ 224,199,000
Fixed assets	54,071,000	55,428,000
Other assets	69,167,000	54,649,000
Total Assets	\$ 400,025,000	\$ 334,276,000

Liabilities

Notes payable	\$ 40,000,000	\$ 19,000,000
Long-term debt, curr	1,262,000	1,928,000
Accrs. payable	42,641,000	35,542,000
Accruals	38,129,000	34,744,000
Income taxes	4,842,000	5,295,000
Curr. Liabilities	\$ 126,874,000	\$ 96,509,000
Long-term debt	96,851,000	67,827,000
Deferred income	14,040,000	12,149,000
+Common stock	49,182,000	44,298,000
Retained earnings	167,539,000	144,631,000
Cumulative translation adjustment	(8,867,000)	(8,864,000)
Treasury stock	(43,594,000)	(22,274,000)
Total Liabilities & Shareholders' Equity	\$ 400,025,000	\$ 334,276,000

* At least of cost (primarily LIFO) or market.
‡ Less accumulated depreciation and amortization.
+ \$0.01 par value.

Statistical Summary

% Income before Taxes to Sales	6.38	6.71
% Net Income to Sales	4.33	4.42
% Net Income to Equity	18.39	16.00
Sales to Inventories	5.96	5.65
Debt to Equity	0.83	0.56
Working Capital	\$ 149,313,000	\$ 127,640,000
Current Ratio	2.18	2.32
Shareholders' Equity	\$ 164,280,000	\$ 157,791,000

Kemira Oy

Porkkalankatu 3
P.O. Box 330
00101 Helsinki, Finland
+358-0-13 211

Officers: Heikki Perho, chairman; Leo Happonen, vice chairman; Matti Jarvenpaa, Torvo T. Pohjala, Lauri Mannisto, Kaisa Raatikainen, Heimo Linnu, Einar Nieminen, Elmer Orndahl, Kaleervo Henttila, Marjaleena Nieminen, Tytti Isohookana-Aunasma, Jukka Virta, employee representative; Unto Kuusikainen, employee representative; Marjut Ramo, employee representative; Jorma Luukkainen, employee representative.

Directors: Yrjo Pesa, chairman & president; Eino Uusitalo, vice chairman; Seppo Lampinen, Ramo Pyrhonen, Reino Airikkaala, Seppo Lampinen, Timo Mattila.

Central Administration: Eino Uusitalo, technical management; Timo Mattila, research & technology; Reino Airikkaala, finance & treasury; Lauri Mikkonen, personnel; Juhani Kari, legal affairs; Risto Simola, communications; Juhani Karhulahti, internal auditing.

Business Activities: In the textile area, the Company manufactures viscose staple fibers and air-texturizing, fine-denier, and polyester yarns, and performs dyeing and finishing services. Other Company activities include the production of fertilizers, agricultural and industrial chemicals, paints, titanium dioxide and other pigments, explosives and ammunition components, personal protection equipment and filters.

Textile Division:

Sateri Division
P.O. Box 24
Valkeakoski 17601, Finland
+358-37-731412

Subsidiaries (Finland):

Kemira Trading, Kemira Oy & Co.
Porkkalankatu 3
P.O. Box 330
Helsinki 00101
+358-0-13 211

Kemira Oy

Kemira Systems Oy
Teknikantie 17
Espoo 02150
+358-0-43 751

Tikkurila Oy
Kuninkaalantie 1
P.O. Box 53
Vantaa 01301
+358-0-83 091

Finn-Filter Oy
Urdala as 31700
+358-37-60 500

Oy Hortus Ab
Teerikukonkujä 4
Helsinki 00700
+358-0-358 466

Viljavuuspalvelu Oy
Vellikellontie 4
Helsinki 00410
+358-0-5664144

A. Jalander Oy
P.O. Box 104
Oulu 90101
+358-81-541211

Karinaisten Biokasvu Oy
Tilkanen
Kyyro 21800
+358-21-848958

Maatalouspalvelu Oy
Luotesrinne 2
P.O. Box 44
Espoo 02271
+358-0-8038340
+358-0-8038341

Subsidiary (U.S.A.):

Kemira Inc.
P.O. Box 368
Savannah, Georgia 31402
(912) 236-6171

Sales & Earnings (000's)

	Net Sales	Net Income
1987	M 8,548,000	M 117,700
1986	6,707,700	27,900
1985	6,836,300	73,000
1984	4,684,000	15,000
1983	4,008,000	70,000

M - Finnish Markka.

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1987	M 854,300	—
1986	737,000	—
1985	621,000	—
1984	558,000	—
1983	382,000	—

Income Account (000's)

Year ended Dec. 31	1987	1986
Net sales	M 8,548,400	M 6,706,700
Cost of sales	4,274,100	3,148,100
Wages & salaries	1,377,900	1,050,200
Personnel exp.	389,100	320,100
Rent exp.	86,200	61,900
Depreciation	570,400	376,600
Other expense	1,161,800	1,046,700
Cap. own work	(152,700)	(85,800)
Changes in stock	83,300	160,900
Interest expense	505,800	431,800
Interest income	(83,900)	(75,900)
Dividends received	(7,500)	(2,300)
Exch. gain on fin.	(38,300)	(16,100)
Other fin. expenses	16,400	11,200
Other income	(23,400)	(11,500)
Income before taxes	M 389,200	M 290,800
Appropriations	181,300	196,200
Income taxes	93,000	66,400
Minority interests	(2,800)	300
Net Income	M 117,700	M 27,900

Assets (000's)

As of Dec. 31	1987	1986
Cash	M 460,600	M 462,000
Accts. receiv., net	1,324,000	993,800
Loans receiv.	84,100	42,900
Advances paid	2,000	11,800
*Stocks	1,451,200	1,029,000
Prepaid expenses	96,000	97,700
Other curr. assets	199,500	140,300
Current Assets	M 3,619,400	M 2,777,500
Investments	239,600	283,500
#Fixed assets	5,362,000	3,506,400
Cum. deprec. difference	1,352,600	993,200
Goodwill	122,300	97,300
Intangibles	79,300	94,600
Other cap. expenses	84,200	88,000
Valuation items	118,300	91,700
Total Assets	M 10,977,700	M 7,932,200

Liabilities

Notes payable	M 72,200	M 40,900
Accts. payable	838,700	535,500
Advance payments	20,600	8,900
Accruals & prepaid inc.	665,400	347,300
Other current liabilities	1,059,200	551,700
Curr. Liabilities	M 2,656,100	M 1,484,300
Long-term debt	5,590,000	4,219,400
Pension liability	42,900	40,200
Unfunded reserves	1,730,300	1,437,300
Minority interest	104,100	13,700
Common stock	588,000	518,000
Reserve fund	79,000	79,000
Revaluation reserve	61,100	61,400
Free equity	126,200	78,900
Total Liabilities & Shareholders' Equity	M 10,977,700	M 7,932,200

* At direct acquisition cost.

Less accumulated depreciation.

Statistical Summary

%Income bef. Taxes to Sales	4.55	4.34
%Net Income to Sales	1.38	0.42
%Net Income to Equity	13.78	3.89
Sales to Inventories	5.88	6.52
Debt to Equity	6.63	5.94
Working Capital (000's)	M 963,300	M 1,293,200
Current Ratio	1.36	1.87
Shareholders' Equity (000's)	M 854,300	M 717,000

Kleinert's, Inc.

120 West Germantown Pike
Suite 100
Plymouth Meeting, Pennsylvania 19462
(215) 828-7261

Officers: Jack Brier, chairman of the board & chief exec. officer; Joseph J. Connors, v.p.-finance & chief financial officer; Bernard M. Borish, secretary.

Directors: Jack Brier, chairman; Kenneth Brier, Bernard M. Borish, Marvin Grossman, William Forman, Jay B. Andrews.

Business Activities: Manufactures and sells infants' and children's sleepwear and accessories, personal apparel including such items as dress and garment shields, sanitary items, incontinent pants, and swim caps; also knits & dyes fabrics.

Trademarks and/or Brand Names: Bolero, Duralite, Pin-In, Slipon, Softex, Solite, Sta-rite, Kleinert's, Teddy Bears, Mini-Dimensions, Little Dimensions, Baby-Gro.

Plant Locations: Elba, Alabama; Gastonia, North Carolina.

Division and Subsidiaries:

Kleinert's, Inc. of Alabama
Elba, Alabama 36323

Elba Division
Elba, Alabama 36323

Scott Mills Division
Gastonia, North Carolina 28052

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KLRT (NASDAQ)

Sales & Earnings

	Net Sales	Net Income +
1988*	\$ 47,425,000	\$ 82,000
1987	46,592,000	2,920,000
1986	46,350,000	2,597,000
1985	41,166,000	2,765,000
1984	39,952,000	2,980,000
	No. of Com. Shares ‡	Earn. per Share ‡ +
1988*	1,483,000	\$ 0.06
1987	1,485,000	1.97
1986	1,539,000	1.69
1985	1,690,000	1.64
1984	2,038,000	1.41

* 53 weeks.

+ Including extraordinary gains of \$1,198,000 (\$0.81 per share) in 1987, \$1,195,000 (\$0.78 per share) in 1986, \$1,272,000 (\$0.75 per share) in 1985 and \$1,103,000 (\$0.54 per share) in 1984.

‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 15,173,000	\$ 10.23
1987	14,714,000	9.91
1986	12,185,000	7.92
1985	11,656,000	6.90
1984	11,189,000 †	5.49

† After allowing for preferred stock at liquidating value.
‡ Based on the weighted average number of shares outstanding.

Income Account*

As of	12/3/88 (53 weeks)	11/28/87
Net sales	\$ 47,425,000	\$ 46,592,000
Cost of sales	41,499,000	38,500,000
Expenses	4,338,000	3,617,000
Interest expense	1,501,000	1,393,000
Income before taxes	\$ 87,000	\$ 3,082,000
Income taxes	5,000	1,360,000
Net Income	\$ 82,000	\$ 1,722,000
Extraord. gain	—	1,198,000
Net Income & extraord. gain	\$ 82,000	\$ 2,920,000

* Included in Costs and Expenses, Depreciation and Amortization: \$581,000 in 1988 and \$528,000 in 1987.

Assets

As of	12/3/88	11/28/87
Cash	\$ 219,000	\$ 284,000
Trade accts. receiv., net	12,217,000	10,949,000
*Inventories	13,849,000	13,353,000
Other curr. assets	517,000	771,000
Current Assets	\$ 26,802,000	\$ 25,357,000
*Fixed assets	4,673,000	5,194,000
Other assets	1,435,000	1,174,000
Total Assets	\$ 32,910,000	\$ 31,725,000

Liabilities

Notes payable	\$ 9,099,000	\$ 6,169,000
Accts. payable	2,487,000	3,539,000
Accruals	1,280,000	855,000
Curr. Liabilities	\$ 12,866,000	\$ 10,563,000
Long-term debt	4,871,000	6,448,000
*Common stock	3,545,000	3,317,000
Add. paid-in capital	9,584,000	9,435,000
Retained earnings (deficit)	2,044,000	1,962,000
Total Liabilities & Shareholders' Equity	\$ 32,910,000	\$ 31,725,000

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.18	6.61
%Net Income to Sales	0.17	3.70
%Net Income to Equity	0.54	11.70
Sales to Inventories	3.42	3.49
Debt to Equity	0.92	0.86
Working Capital	\$ 13,936,000	\$ 14,794,000
Current Ratio	2.08	2.40
Shareholders' Equity	\$ 15,173,000	\$ 14,714,000

KRUG International Corp.

(formerly Technology Incorporated)

6 Gem Plaza, Suite 500
Dayton, Ohio 45402-1908
(513) 224-9066

Officers: Maurice F. Krug, chairman of the board & chief executive officer; Philip L. Fondy, president & chief operating officer; J. Richard Swanson, v.p. finance & treasurer; Evelyn B. Walker, asst. treasurer; Gene P. Cook, controller.

Directors: Maurice F. Krug*, chairman; John W. Berry*, James J. Mulligan*, Marvin E. Bruce, Victor J. Cassano, Sr., William J. Hoben, Leo W. Ladehoff, Frederick C. Smith, Earl T. O'Loughlin, Philip L. Fondy.

* Member of the Executive Committee

Business Activities: Operates primarily in three business segments: Aerospace, Leisure Marine, and Housewares. In the textile and apparel area, through its South Western Marine Factors Limited subsidiary, the Company distributes a complete line of products, including clothing, for the U.K. leisure marine market. In addition, through its Beldray Limited subsidiary, the Company manufactures and markets kitchen textile accessories, among other houseware items, for the U.K. market.

Textile Subsidiaries:

South Western Marine Factors Limited
P.O. Box 4
43 Pottery Road, Parkstone, Poole
Dorset, BH14 8RE, United Kingdom

Beldray Limited
P.O. Box 20
Mount Pleasant, Bilston
West Midlands, WV14 7NF, United Kingdom

Transfer Agent(s):

Bank One Indianapolis, N.A.
101 Monument Circle
Indianapolis, Indiana 46277

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KRUG (NASDAQ)

Sales & Earnings

	Revenues †	Net Income
1989	\$ 84,731,000	\$ 1,057,000
1988	73,800,000	499,000
1987	53,374,000	(1,988,000)
1986*	35,154,000	1,972,000
1985	25,098,000	1,555,000
	No. of Com. Shares +	Earn. per Share #
1989	4,116,994	\$ 0.25
1988	4,370,828	0.11
1987	4,346,651	—
1986*	4,003,211	0.49
1985	3,959,151	0.38

(Loss)

* 9 months.

† Of continuing operations only.

+ Adjusted to reflect stock split.

Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Commercial/consumer:		
Leisure marine	\$ 24,109,000	\$ 20,201,000
Housewares	21,612,000	18,071,000
Aerospace	39,010,000	35,528,000
Total	\$ 84,731,000	\$ 73,800,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	\$ 0.30	—	—
1988	0.03	—	—
1987	0.03	—	5-for-4
1986	0.024	—	—
1985	0.024	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	\$ 11,348,000	\$ 2.76
1988	16,931,000	3.87
1987	13,576,000	3.12
1986	11,712,000	2.93
1985	8,903,000	2.25

+ Adjusted to reflect stock split.

Income Account

Year ended Mar. 31	1989	1988
Revenues	\$ 84,731,000	\$ 73,800,000
Cost of sales	72,686,000	61,960,000
Expenses	9,496,000	7,697,000
Depreciation & amortization	677,000	286,000
Interest expense	1,281,000	826,000
Other income	(2,751,000)	(1,348,000)
Income before taxes	\$ 3,342,000	\$ 4,419,000
Income taxes	388,000	1,699,000
Income from cont. oper.	\$ 2,954,000	\$ 2,720,000
Loss from discont. oper.	(1,897,000)	(2,221,000)
Net Income	\$ 1,057,000	\$ 499,000

Assets

As of Mar. 31	1989	1988
Cash	\$ 335,000	\$ 730,000
Accts. receiv., net	19,810,000	18,362,000
*Inventories	6,696,000	6,330,000
Prepaid expenses	557,000	612,000
Net assets-discont. oper.	14,784,000	22,610,000
Current Assets	\$ 42,182,000	\$ 48,644,000
Long-term receiv.	261,000	287,000
*Fixed assets	4,901,000	3,479,000
Net assets-discont. oper.	4,563,000	4,113,000
Total Assets	\$ 51,907,000	\$ 56,523,000

Liabilities

Bank borrowings	\$ 19,210,000	\$ 17,000,000
Long-term debt, curr.	1,057,000	1,004,000
Accts. payable	8,240,000	7,872,000
Accruals	4,012,000	3,617,000
Income taxes	746,000	1,988,000
Current Liabilities	\$ 33,265,000	\$ 31,481,000
Long-term debt	6,324,000	5,428,000
Subordinated long-term debt	450,000	500,000
Deferred income	—	1,237,000
Deferred inc. taxes	65,000	161,000
Exc. of net assets acq. over purch. price	455,000	785,000
+Common stock	2,058,000	2,185,000
Add. paid-in capital	537,000	2,446,000
Retained earnings	5,965,000	7,055,000
For. curr. trans.	2,788,000	5,245,000
Total Liabilities & Shareholders' Equity	\$ 51,907,000	\$ 56,523,000

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ No par value.

Statistical Summary

% Net Income to Equity	9.31	4.95
Debt to Equity	2.38	1.41
Working Capital	\$ 8,917,000	\$ 17,163,000
Current Ratio	1.27	1.55
Shareholders' Equity	\$ 11,348,000	\$ 16,931,000

Lai Sun Garment Company, Limited

Lai Sun Garment Company, Limited

11th Floor, Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon, Hong Kong
3-7410391

Mailing Address:
P.O. Box 88460
Shamshupo
Kowloon, Hong Kong

Registered Office:
Por Yen Building
478, Castle Peak Road
Kowloon, Hong Kong

Directors: Lim Por Yen, chairman & managing director;
Peter Lam Kin Ngok, deputy chairman; Lam Kin Ming,
Williamson Cheyne, Wong Kwan Hung, Chiu Wai, William
Fung, Stanislaus Tsao, secretary; David Chiu Tai Cheong,
Alex Wong Ching Ping, Edwin Cheung Hon Kit.

Business Activities: Manufactures and exports garments,
mainly shirts and trousers.

Textile Subsidiaries:

Vanguard Garments, Limited
Hong Kong
Garment manufacturing.

Creative Fashions Limited
Hong Kong
Garment trading.

Best Dyeing and Finishing Co., Ltd. (50%-owned)
Hong Kong
Dyeing and finishing.

Texknit Limited (50%-owned)
Hong Kong
Knitting.

Cheery Weavers Limited (44.65% interest)
Hong Kong
Weaving.

Registrar and Transfer Office:

Central Registration Hong Kong Limited

Stock Exchange(s): Hong Kong

Sales & Earnings x

	Net Sales	Net Income †
1987	\$ 823,430,948	\$ 187,884,227
1986	666,090,202	124,599,594
	No. of Com. Shares ‡	Earn. per Share † ‡
1987	685,761,644	\$ 0.281
1986	660,000,000	0.176

x Figures are stated in Hong Kong dollars.

† Including extraordinary gain of HK\$8,628,736 (HK\$0.01 per share) in 1986 and extraordinary loss of HK\$4,972,721 (HK\$0.01 per share) in 1987.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	\$ 0.11	—	—
1986	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	\$ 800,250,490	\$ 1.17
1986	425,682,963	0.64

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended July 31	1987	1986
Net sales	\$ 823,430,948	\$ 666,090,202
Cost of sales & expenses	599,279,774	539,456,351
Directors' fees	3,099,198	1,803,654
Depreciation	12,165,961	10,247,464
Audit fee	746,200	112,800
Donation	5,603,851	877,564
Prov. for doubtful accts.	5,000,000	—
Loss on exch.	30,284	40,940
Profit on dispos. of assets	(1,991,295)	(156,325)
Interest expense	10,245,544	1,990,190
Interest income	(7,076,787)	(647,831)
Other income	(29,203,790)	(22,970,827)
Prov. for decrease in value of invest.	(4,233,709)	(3,060,000)
Share of profits of assoc.	(5,806,724)	(3,578,758)
Income before taxes	\$ 235,572,441	\$ 141,974,980
Income taxes	42,718,173	26,004,122
Minority interest	(2,680)	—
Net Income	\$ 192,854,948	\$ 115,970,858
Extraord. items	(4,972,721)	8,628,736
Net Income & extraord. items	\$ 187,884,227	\$ 124,599,594

Assets

As of July 31	1987	1986
Cash	\$ 38,602,814	\$ 8,045,455
Unsecured loan	25,025,328	27,458,447
Accts. receiv., net	10,794,314	5,168,574
Sundry debtors	118,508,983	76,807,672
Prop. held for sale	146,527,389	581,118
*Stocks	35,497,696	18,273,676
Current Assets	\$ 374,956,524	\$ 136,334,942
Investments	575,250,204	2,670,379
Interest in assoc.	136,694,860	54,573,913
#Fixed assets	21,784,873	86,711,438
Properties	436,575,836	364,442,027
Total Assets	\$ 1,545,262,297	\$ 644,732,699

Liabilities

Long-term debt, curr.	\$ 378,712,196	\$ 76,770,121
Accts. payable	255,003,969	92,690,435
Deposits received on props.	12,941,094	—
Prov. for losses	1,450,000	1,450,000
Income taxes	48,297,208	25,039,180
Proposed dividend	47,910,000	23,100,000
Curr. Liabilities	\$ 746,314,467	\$ 219,049,736
Minority interest	(2,660)	—
Deferred income	700,000	—
+ Common stock	74,150,000	33,000,000
Reserve	726,100,490	392,682,963
Total Liabilities & Shareholders' Equity	\$ 1,545,262,297	\$ 644,732,699

* At lower of cost and net realizable value.

Less accumulated depreciation.

+ HK\$0.1 par value in 1987 and HK\$1 par in 1986.

Statistical Summary

%Income bef. Taxes to Sales	28.61	21.31
%Net Income to Sales	23.42	17.41
%Net Income to Equity	24.10	27.24
Sales to Inventories	23.20	36.45
Debt to Equity	0.47	0.18
Shareholders' Equity	\$ 800,250,490	\$ 425,682,963

Lakeland Industries, Inc.

3601 Hempstead Turnpike
Levittown, New York 11756
(516) 579-6161

Officers: Raymond J. Smith, chairman of the board & president; Christopher J. Ryan, exec. v.p.-finance; Patrick M. Murphy, Jr., v.p., counsel & secretary; James M. McCormick, v.p. & treasurer; John R. Ernst, vice president; Harvey Pride, Jr., vice president; Walter Zink, vice president.

Directors: Raymond J. Smith, chairman; Patrick M. Murphy, Jr., Christopher J. Ryan, John J. Collins, Jr., Eric O. Hallman, Charles Hiltzheimer, Carl E. Meyer, Jr..

Business Activities: Manufactures industrial safety apparel, including disposable protective garments used in manufacturing, medical and clean room environments, specialized industrial work gloves, heat protective garments for use in fire fighting and industrial applications, and chemical suits which protect the user from exposure to hazardous materials. In addition, the Company markets work gloves to the consumer, manufactures woven cloth garments, and distributes apparel and textile flatgoods to hospitals, nursing homes and the hospitality industries.

Plant Locations: St. Joseph, Missouri; Decatur, Alabama.

Subsidiaries:

Chemland Industries, Inc.
Coshocton, Ohio

Fireland Industries, Inc.
d/b/a Fyrepel Products.
Newark, Ohio

Highland International, Inc.
Edison, New Jersey

Ryland Mfg., Inc.
Decatur, Alabama

Triland Mfg. Co., Inc.
Kenilworth, New Jersey

Uniland Mfg. Co., Inc.
Horseshoe Bend, Arkansas

St. Joseph, Missouri

Walter H. Mayer and Co., Inc.
Chicago, Illinois

Transfer Agent(s):

Registrar and Transfer Company
61 Broadway
New York, New York 10006

Stock Exchange(s): Over-the-Counter

Ticker Symbol: LAKE (NASDAQ)

Sales & Earnings

	Net Sales	Net Income †
1988	\$ 26,504,000	\$ 227,000
1987	16,958,000	458,000
1986	13,094,000	158,000
1985	10,044,000	5,000
1984	6,136,000	179,000
	No. of Com. Shares ‡	Earn. per Share † ‡
1988	2,557,000	\$ 0.09
1987	1,935,000	0.24
1986	1,513,000	0.10
1985	1,513,000	—
1984	1,513,000	0.12

† Including extraordinary gain of \$15,000 (\$0.01 per share) in 1987.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 6,821,000	\$ 2.67
1987	6,521,000	3.37
1986	565,000	0.37
1985	408,000	0.27
1984	403,000	0.27

‡ Based on the weighted number of common shares and common share equivalents outstanding.

Income Account*

Year ended Jan. 31	1988	1987
Net sales	\$ 26,504,428	\$ 16,937,836
Cost of sales	21,173,222	13,478,750
Expenses:		
Selling & shipping	2,471,414	1,475,059
Gen. & adm.	2,390,434	1,023,905
Res. & develop.	63,737	62,409
Interest expense	159,237	169,956
Dividend income	(70,840)	(40,608)
Other income	(26,926)	(3,113)
Income before taxes	\$ 368,776	\$ 825,390
Income taxes	141,376	382,777
Net Income	\$ 227,400	\$ 442,613
Extraord. gain	—	15,000
Net Income & extraord. gain	\$ 227,400	\$ 457,613

* Included in Costs and Expenses, Depreciation and Amortization: \$140,581 in 1988 and \$57,651 in 1987.

Assets

As of Jan. 31	1988	1987
Cash	\$ 874,031	\$ 1,073,146
Marketable securities	—	866,995
Accts. receiv., net	4,541,205	2,754,042
*Inventories	5,570,573	2,433,961
Prepaid inc. taxes	—	102,496
Deferred inc. taxes	125,568	49,290
Other curr. assets	227,575	60,336
Current Assets	\$ 11,338,952	\$ 7,340,266
*Fixed assets	1,094,705	834,951
Other assets	134,572	50,301
Defer. charges	—	9,537
Intangibles	765,924	497,794
Total Assets	\$ 13,334,153	\$ 8,732,849

Liabilities

Notes payable	\$ 326,984	\$ 76,500
Loan payable-bank	205,178	—
Long-term debt, curr.	36,717	71,378
Accts. payable	2,755,476	1,505,377
Accruals	285,034	186,609
Curr. Liabilities	\$ 3,609,389	\$ 1,839,864
Long-term debt	2,894,016	372,215
Deferred inc. taxes	9,578	—
+Common stock	25,057	24,615
Add. paid-in capital	5,745,668	5,673,110
Retained earnings	1,050,445	823,045
Total Liabilities & Shareholders' Equity	\$ 13,334,153	\$ 8,732,849

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	1.39	4.87
% Net Income to Sales	0.86	2.61
% Net Income to Equity	3.33	6.79
Sales to Inventories	4.76	6.97
Debt to Equity	0.51	0.08
Working Capital	\$ 7,729,563	\$ 5,500,402
Current Ratio	3.14	3.99
Shareholders' Equity	\$ 6,821,170	\$ 6,520,770

The Leslie Fay Companies, Inc.

1400 Broadway
New York, New York 10018
(212) 221-4000

The Leslie Fay Companies acquired The Leslie Fay Company in a leveraged buyout transaction on June 18, 1984.

Officers: John J. Pomerantz, chairman & chief exec. officer; Alan Golub, president; Joel Newman, vice chairman & chief operating officer; Herman Gordon, sr. v.p. & general counsel; Roger A. Murray, sr. v.p.-corp. services; Laura Pomerantz, vice president; Norman Feinberg, vice president; Arnold Forman, vice president; H. Andrew Gross, vice president; Gerald P. Zipp, vice president; Paul F. Polishan, sr. v.p.-finance & chief financial officer; Ralph L. Iannazzone, v.p.-manufacturing; Sanford L. Mazer, v.p.-manufacturing; Richard F. Von Felde, secretary & assistant treasurer; Daniel Falkowitz, treasurer; Donald F. Kenia, controller; William J. Schlingman, asst. secretary.

Directors: John J. Pomerantz, chairman; Joel Newman, Alan Golub, Laura Pomerantz, Gary M. Brost, Steven M. Friedman, Herman Gordon, Ira J. Hechler, Jack Nash, Lester Pollack, Michael L. Tarnopol, Ralph Destino.

Business Activities: Designs, manufactures and markets widely diversified lines of moderate and better priced women's dresses, suits, blouses, and sportswear primarily for the career-oriented woman. Through its Head Sportswear Division, the Company also manufactures ski, tennis and golf apparel for men and women.

Trademarks and/or Brand Names: Breckenridge, Breckenridge Petites, Breckenridge II, Castleberry Knits, Head, Head Europe, Kasper for A.S.L., Leslie Fay, Leslie Fay Petites, Leslie Fay Sportswear, Leslie Fay Girls, Outlander, Lyse Spensard, Knitvivo, Albert Nipon, Andrea Gayle, Donna Morgan for Non-Stop, Mary Ann Restivo, Nolan Miller, Tyrolia.

Divisions and Subsidiaries:

Leslie Knits Division
Andrea Gayle
Beige and Company
Sassco Division
Outland, Ltd.
Breckenridge Division
Castleberry Knits Division
Head Sportswear
Joan Leslie Division
Sasson
Knitvivo Division
NS Petites
Non-Stop Fashions

Acquisitions:

Albert Nipon, Inc.
Offers fashionable dresses and suits at both designer and bridge prices.

Mary Ann Restivo, Inc.

Designs sportswear separates as well as dresses.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: LES

Sales & Earnings

	Net Sales	Net Income †
1988a	\$ 682,690,000	\$ 22,251,000
1987	582,023,000	19,748,000
1986	573,401,000	18,647,000
1985	475,399,000	10,859,000
1984*	235,601,000	1,572,000

a 53 weeks.

* 6 months.

† Pro forma income gives effect to the application of pro forma and historical income taxes that would have been reported had the Company and The Leslie Fay Company filed income tax returns as a corporate entity for each period.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 133,786,000	\$ 7.01
1987	111,903,000	5.82
1986	92,459,000	5.43
1985	(11,080,000)	—
1984	(29,665,000)	—

(Deficiency)

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*

Year ended	12/31/88 (53 weeks)	12/26/87
Net sales	\$ 682,690	\$ 582,023
Cost of sales	466,265	403,101
Expenses	156,175	132,510
Amort. of intangibles	3,333	3,821
Interest expense	18,208	16,389
Non-recurring credits	—	(5,035)
Income before taxes	\$ 38,709	\$ 31,237
Income taxes	16,458	11,489
Net Income	\$ 22,251	\$ 19,748

* Included in Costs and Expenses, Depreciation and Amortization: \$3,953,000 in 1988 and \$3,302,000 in 1987.

Assets
(000's)

As of	12/31/88	12/26/87
Cash	\$ 5,475	\$ 4,090
Accts. receiv., net	109,901	82,942
*Inventories	106,994	83,001
Prepaid expenses	16,450	15,906
Current Assets	\$ 238,820	\$ 185,939
*Fixed assets	25,880	24,079
Other assets & defer. charges	4,250	5,097
Intangibles	94,096	90,323
Current Assets	\$ 363,046	\$ 305,438

The Leslie Fay Companies, Inc.

Liabilities (000's)		
Notes payable	\$ 29,000	\$ 15,500
Long-term debt, curr.	272	1,388
Accts. payable	45,624	31,647
Accrued interest pay.	3,920	3,716
Accrued compensation	16,562	10,576
Other accruals	7,240	7,397
Income taxes	6,084	1,785
Current Liabilities	\$ 108,702	\$ 72,009
Long-term debt	55,319	55,591
Subord. debt	61,035	61,035
Deferred credits	4,204	4,900
+Common stock	20,000	20,000
Add. paid-in capital	82,175	82,175
Exc. of purch. price over cost of assets acq.	(33,251)	(33,251)
Retained earnings	72,759	50,508
For. curr. trans. adjust.	1,233	1,601
Treasury stock	(9,130)	(9,130)
Total Liabilities & Shareholders' Equity	\$ 363,046	\$ 305,438

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.67	5.37
%Net Income to Sales	3.26	3.39
%Net Income to Equity	16.63	17.65
Sales to Inventories	6.38	7.01
Debt to Equity	1.09	1.19
Working Capital	\$ 130,118,000	\$ 113,930,000
Current Ratio	2.20	2.58
Shareholders' Equity	\$ 133,786,000	\$ 111,903,000

Lister & Co. p.l.c.

Manningham Mills
Bradford, West Yorkshire BD9 4SH, England

Officers: J. Segal, president; J.M. Kitchen, secretary.

Directors: J.A. Kornberg, chairman; M.H.E. Dracup, managing director; N.B. Smith, V.M. Segal.

Business Activities: Manufactures curtain and furnishing velvets, curtains, cushions, flame retardant flat woven fabrics, worsted spun yarns for the fashion knitwear trade, woolen cloths, fine dress fabrics and yarns, duvet covers in polyester cotton and polyester satin, lambawool underblankets, floor rugs, flame retardant bedding pressure pads for use in hospitals and nursing homes, simulated fur fabrics for ladies' and children's coats and jackets, and high quality specialty yarns.

Trademarks and/or Brand Names: Curtain velvets: Westminster, Gemstone, Braemar, Windemere; Furnishing velvets: Tudor, Richmond, Camelot, Dralon, Underblankets: Pleasantdreams; Floor rugs: Leonardo, Crusader, Lotus, Galaxy, Wild Rose, Georgian, Arandaie, Pastelle, Capricorn, Florida, Litalama, Viscount, Talisman; Hand knitting yarns: Practical, Classic, Supreme, Mainly mohair, Elite, Tahiti Five Star, Bali, Libra, Lister Brushed D.K., Venezia D.K., Baby Supersoft, Richmond, Motoravia.

Divisions and Subsidiaries:

Yarn Division
Home Furnishing Division
Knitted Pile Fabric Division
Dress Silk Division
Homeware Division
Joseph Hoyle & Son Limited
Mutual Mills Limited
George Lee & Sons Limited
Property Division
A-Grade Engineering Co. Limited
Insurance Broking and Consultancy Division
Fielding & Johnson Ltd.
Lister Velvet Co. Ltd.
Pik Mills Ltd.

Transfer Office:

Lister & Co. p.l.c.
Manningham Mills
Bradford, West Yorkshire BD9 4SH, England

Sales & Earnings

	Net Sales	Net Income †
1987	£ 32,905,000	£ 2,605,000
1986	36,459,000	2,621,000
1985	39,417,000	829,000
1984	46,975,000	695,000
1983	50,833,000	(364,000)
	No. of Com. Shares	Earn. per Share
1987	16,465,019	17.47p
1986	16,465,019	11.38
1985	N.A.	3.37
1984	N.A.	3.16
1983	N.A.	—

£ - pound sterling

(Loss)

N.A. - Not Available.

† Including extraordinary gains of £ 723,000 in 1986, £ 248,000 in 1985, £ 148,000 in 1984 and extraordinary losses of £ 296,000 in 1987 and £ 13,000 in 1983.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	3.00p	—	—
1986	1.00	—	—
1985	0.25	—	—
1984	0.10	—	—
1983	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	£ 23,540,000	£ 142.97
1986	23,348,000	141.80

Income Account * (000's)

Year ended Mar. 28	1987	1986
Net sales	£ 50,833	£ 46,975
Cost of sales	37,785	35,559
Distr. costs	6,070	5,520
Adm. expenses	2,337	1,898
Share of profit of rel. co.	(241)	(208)
Interest expense	1,651	2,107
Interest income	(24)	(22)
Income before taxes	£ 3,255	£ 2,121
Income taxes	354	223
Net Income	£ 2,901	£ 1,898
Extraord. items	(296)	723
Net Income & extraord. items	£ 2,605	£ 2,621

* Included in Cost and Expenses, Depreciation and Amortization: £ 1,376,000 in 1987 and £ 1,274,000 in 1986.

Assets (000's)

As of Mar. 28	1987	1986
Cash	£ 329	£ 372
Accts. receiv., net	8,725	8,640
Amts. owed by rel. co.	16	16
Sundry debtors	121	194
*Stocks	10,327	11,516
Prepaid expenses	256	632
Current Assets	£ 19,774	£ 21,370

Investments	1,069	922
#Fixed assets	26,219	25,344
Intangibles	14	21
Total Assets	£ 47,076	£ 47,657

Liabilities (000's)

Long-term debt, curr.	£ 7,916	£ 9,940
Oblig. under fin. leases	199	86
Accts. payable	5,383	6,392
Bills of exch.	31	—
Other creditors	2,905	2,345
Accruals & deferred inc.	543	343
Proposed dividend	412	165
Current Liabilities	£ 17,389	£ 19,271
Long-term debt	2,750	3,750
Oblig. under fin. leases	178	5
Other creditors	18	336
Minority interest	100	100
Deferred income	201	247
Other liabilities	2,300	—
+Preferred stock	600	600
+Common stock	4,116	4,116
Add. paid-in capital	2,543	2,543
Reserves	12,298	14,218
Profit and loss acct.	4,583	2,471
Total Liabilities & Shareholders' Equity	£ 47,076	£ 47,657

* At lower of cost and net realizable value.

Less accumulated depreciation.

+ £ 1 par value; 5% cumulative.

++ 25p par value.

Statistical Summary

%Income bef. Taxes to Sales	6.40	4.52
%Net Income to Sales	5.71	4.04
%Net Income to Equity	12.02	7.93
Sales to Inventories	4.92	4.08
Debt to Equity	0.46	0.58
Working Capital	£ 2,385,000	£ 2,099,000
Current Ratio	1.14	1.11
Shareholders' Equity	£ 24,140,000	£ 23,948,000

Littlefield, Adams & Company

81 Adams Drive
Totowa, New Jersey 07512
(201) 256-8600

Officers: Gilbert Raff, president & chief exec. officer; Florence V. Benda, secretary.

Directors: Andrew Christensen, Charles D. Fox, III, Gilbert Raff, G. William Fleming, Charles D. Fox, IV.

Business Activities: Engaged in the imprinting and selling of athletic and leisure wear under the Collegiate-Pacific. Products include imprinted T-shirts, sweatshirts, sport shirts, jerseys, and sportswear. Also manufactures and imprints novelty items, including caps, pennants, banners, blankets and pillows.

Trademarks and/or Brand Names: Collegiate-Pacific

Plant Location(s): Roanoke, Virginia

Subsidiary:

Collegiate-Pacific Company
Roanoke, Virginia

Transfer Agent(s):

Midlantic National Bank
Corporate Trust Department
P.O. Box 600
Edison, New Jersey 08818

Stock Exchange(s): American

Ticker Symbol: LFA

Sales & Earnings

	Net Sales +	Net Income
1987	\$ 7,213,000	\$ (2,287,000)
1986	17,569,000	(2,801,000)
1985	18,116,000	(376,000)
1984	19,760,000	N.A.
1983	21,902,000	N.A.

	No. of Com. Shares ‡	Earn. per Share ‡
1987	1,073,820	\$ —
1986	1,073,820	—
1985	1,073,820	—
1984	1,073,820	—
1983	1,073,820	—

N.A.—Not Available.

+ Of continuing operations only.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	\$ —	—	—
1986	—	—	—
1985	—	—	—
1984	—	—	—
1983	0.08	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	\$ 1,748,000	\$ 1.63
1986	3,928,000	3.66
1985	6,696,000	6.24
1984	7,026,000	6.54

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1987	1986
Net sales	\$ 7,213,000	\$ 17,569,000
Cost of sales	5,964,000	14,852,000
Expenses	2,625,000	4,103,000
Interest expense	430,000	781,000
Write-off of costs in exc. of assets of acq. cos.	—	506,000
Gain on sale of prop.	(149,000)	—
Loss before taxes	\$ (1,647,000)	\$ (2,673,000)
Income taxes	—	65,000
Loss-cont. oper.	\$ (1,647,000)	\$ (2,738,000)
Loss-discont. oper.	(640,000)	(63,000)
Net Loss	\$ (2,287,000)	\$ (2,801,000)

* Included in Costs and Expenses, Depreciation and Amortization: \$202,000 in 1987 and \$302,000 in 1986.

Assets

As of Dec. 31	1987	1986
Cash	\$ 30,000	\$ 155,000
Accts. receiv., net	724,000	3,099,000
* Inventories	2,105,000	3,936,000
Prepaid expenses	101,000	127,000
Net assets-discont. oper.	450,000	946,000
Current Assets	\$ 3,410,000	\$ 8,223,000
* Fixed assets	994,000	1,820,000
Other assets	128,000	25,000
Intangibles	501,000	803,000
Total Assets	\$ 5,033,000	\$ 10,871,000

Liabilities

Long-term debt, curr.	\$ 1,249,000	\$ 3,234,000
Accts. payable	711,000	2,014,000
Accruals	312,000	467,000
Curr. Liabilities	\$ 2,272,000	\$ 5,715,000
Long-term debt	371,000	621,000
Deferred compensation	642,000	607,000
+ Common stock	1,235,000	1,235,000
Add. paid-in capital	2,465,000	2,465,000
Retained earnings	(1,119,000)	1,168,000
For. curr. trans. adj. (deficit)	—	(107,000)
Treasury stock	(833,000)	(833,000)
Total Liabilities & Shareholders' Equity	\$ 5,033,000	\$ 10,871,000

* At lower of cost (FIFO) or market.

‡ Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

Sales to Inventories	3.43	4.46
Debt to Equity	0.93	0.98
Working Capital	\$ 1,138,000	\$ 2,508,000
Current Ratio	1.50	1.44
Shareholders' Equity	\$ 1,748,000	\$ 3,928,000

Liz Claiborne, Inc.

1441 Broadway
New York, New York 10018
(212) 354-4900

Officers: Elizabeth Claiborne Ortenberg, chairman of the board, president & chief exec. officer; Arthur Ortenberg, vice chairman of the board & secretary; Jerome A. Chazen, vice chairman of the board; Samuel M. Miller, sr. v.p.-finance; Harvey L. Falk, exec. v.p.-operations & corp. planning; Jay Margolis, exec. v.p.-women's sportswear group, president; Jack Listanowsky, sr. v.p.-operations; Larry McDonald, sr. v.p.-corp. textile engineering; Hank Sinkel, sr. v.p.-sportswear, sales; Robert Bernard, sr. v.p.-corp. sales & marketing; Kenneth Ganz, sr. v.p.-corp. distribution; Alois J. Lohn, sr. v.p.-manufacturing; Ellen Daniel, sr. v.p.-Collection Division, div. head; Allen McNeary, sr. v.p.-Dress Division, president; Matthew D. Langweber, sr. v.p.-Retail Division, president; Jo Miller, sr. v.p.-Retail Division, First Issue, co-president; Robert H. Abajian, sr. v.p.-women's sportswear, design; Kathryn D. Connors, v.p.-human resources; Walter L. Krieger, v.p.-financial operations; Jeffrey H. Shendell, v.p.-allocations and sales support; Robert P. McKean, treasurer; Claudia Wong, v.p.-corp. Far East operations; Roberta Schuhalter Karp, v.p.-corp. counsel; Elaine H. Goodell, controller.

Directors: Arthur Ortenberg, Jerome A. Chazen, Elizabeth Claiborne Ortenberg, Harvey L. Falk, Leonard Boxer, J. James Gordon, Sherwin Kamin, Jay Margolis.

Business Activities: Designs, contracts for the manufacture of, and markets an extensive range of women's apparel and accessories as well as men's sportswear. Also operates 13 retail clothing stores, primarily featuring the Company's sportswear, under the name First Issue; and markets fragrances and related products under the Liz Claiborne name.

Trademarks and/or Brand Names: Liz Claiborne, Lizwear, Liz, Claiborne, Lizsport, Dana Buchman, First Issue.

Divisions and Subsidiaries:

Collection Division
Sophisticated style of sportswear geared primarily for the career women's working needs.

Lizsport Division
Sportswear collections geared primarily for the home and the more casual working environment.

Lizwear Division
Casual style of sportswear geared primarily for weekend dressing needs.

Dress Division

A wide variety of dresses, including a knitwear collection in both the 'Missy' and petite size ranges.

Claiborne (Menswear) Division
Men's sportswear.

Kayser-Roth Corporation
Manufactures and markets handbags, belts, scarves and other related accessories.

Liz Claiborne Cosmetics
Markets fragrances and related products under the Liz Claiborne name.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): Over-the-Counter

Ticker Symbol: LIZC (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1988*	\$ 1,184,229,000	\$ 110,341,000
1987	1,053,324,000	114,414,000
1986	813,497,000	86,194,000
1985	556,553,000	60,580,000
1984	391,272,000	147,517,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988*	87,484,695	\$ 1.26
1987	86,933,364	1.32
1986	86,270,552	1.00
1985	85,395,824	0.71
1984	84,577,140	0.50

* 53 weeks.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	\$ 0.18	—	—
1987	0.16	—	—
1986	0.12	—	—
1985	0.08	100% ‡	—
1984	0.05	100%	—

+ Adjusted to reflect stock dividends and stock split.

‡ Declared Feb. 25, 1986.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 457,826,000	\$ 5.23
1987	356,956,000	4.11
1986	247,787,000	2.87
1985	162,729,000	1.91
1984	104,417,000	1.23

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Income Account *
(000's)

Year ended	12/31/88 (53 weeks)	12/26/87
Net sales	\$ 1,184,229	\$ 1,053,324
Cost of sales	758,285	655,569
Expenses	235,460	194,686
Interest expense	1,334	670
Interest income	(13,191)	(5,626)
Income before taxes	\$ 182,341	\$ 208,025

Liz Claiborne, Inc.

Income taxes	72,000	93,611
Net Income	\$ 110,341	\$ 114,414

* Included in Costs and Expenses, Depreciation and Amortization: \$12,548,000 in 1988 and \$5,880,000 in 1987.

Assets (000's)		
As of	12/31/88	12/26/87
Cash & cash equiv.	\$ 117,511	\$ 107,317
Short-term invest.	160,810	53,149
Accts. receiv., net	68,674	80,591
* Inventories	167,982	156,375
Deferred inc. tax benefits	8,736	6,563
Other curr. assets	25,362	19,994
Current Assets	\$ 549,075	\$ 423,989
* Fixed assets	77,732	53,140
Other assets	2,275	5,240
Total Assets	\$ 629,082	\$ 482,369

Liabilities (000's)		
Long-term debt, curr.	\$ 357	\$ 357
Accts. payable	71,377	53,044
Accruals	63,162	43,374
Income taxes	12,110	6,412
Curr. Liabilities	\$ 147,006	\$ 103,187
Long-term debt	14,107	14,464
Deferred inc. taxes	10,143	7,762
+ Common stock	87,768	87,136
Add. paid-in capital	35,099	29,889
Retained earnings	334,959	239,931
Total Liabilities & Shareholders' Equity	\$ 629,082	\$ 482,369

* At lower of cost (FIFO) or market.
* Less accumulated depreciation and amortization.
+ \$1 par value.

Statistical Summary

% Income bef. Taxes to Sales	15.40	19.75
% Net Income to Sales	9.32	10.86
% Net Income to Equity	24.10	32.05
Sales to Inventories	7.05	6.74
Debt to Equity	0.03	0.04
Working Capital	\$ 402,069,000	\$ 320,802,000
Current Ratio	3.74	4.11
Shareholders' Equity	\$ 457,826,000	\$ 356,956,000

Louisville Bedding Company

10400 Bunsen Way
Bluegrass Industrial Park
Louisville, Kentucky 40299
(502) 491-3370

Officers: James R. Hartsock, chairman; John M. Minihan, president & chief exec. officer; Charles Lohman, sr. v.p. purchasing; Kenneth A. King, exec. v.p. operations; Frank Preston, v.p. product development; Ronald A. Benson, v.p. marketing; Christian F. Rapp, v.p. finance & secretary; Richard J. Schaftlein, v.p. Reed Handcrafts.

Directors: James R. Hartsock, chairman; Norman E. Elsas, Harold C. Forrester, John M. Minihan, Kenneth A. King, B. Irby Moore, Maurice H. Schook, Charles J. Lohman, Frank N. Preston, Christian F. Rapp.

Business Activities: Louisville Bedding Company is in the home furnishing and moving van pad businesses. It manufactures quilted mattress pads, fashion bedroom products (which include bedspreads, pillows, pillow shams, and dust ruffles) and decorative home furnishings such as table linens, placemats, and chair pads; and a line of moving van pads. These products are marketed nationwide through leading department stores and retail chains.

Trademarks and/or Brand Names: Reed Handcrafts, Quiltcraft, Olde Kentucky, Komfort Wrap, Stay Put, Beautyrest.

Plant Location(s): Jeffersonton, Louisville & Munfordville, Ky.

Divisions:

StayPut Pad
Louisville, Kentucky
Manufactures moving van pads for sale to moving and storage companies.

Reed Handcrafts
Louisville, Kentucky
Manufactures and markets decorative home fashions, including placemats, chair pads, and decorator pillows.

Transfer Agent(s):

Louisville Bedding Co.
Louisville, Kentucky

Stock Exchange(s): Over-the-Counter

Sales & Earnings

	Net Sales	Net Income
1988	\$ 78,062,149	\$ 1,788,227
1987	71,841,441	1,777,132
1986 x	64,389,524	558,112
1985	66,121,482	855,673
1984	66,488,123	657,143
	No. of Com. Shares +	Earn. per Share #
1988	619,797	\$ 2.86
1987	619,938	2.87
1986 x	619,938	0.90
1985	619,938	1.38
1984	619,903	1.06

x Restated to reflect change in year end.
+ Adjusted to reflect stock dividend.
Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 0.63	—	—
1987	0.60	—	—
1986	0.60	—	—
1985	0.60	—	—
1984	0.59	5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 12,635,997	\$ 20.39
1987	12,024,878	19.40
1986 x	10,619,708	17.13
1985	10,303,777	16.62
1984	9,819,610	15.84

x Restated.
‡ Adjusted to reflect stock dividend.

Income Account *

Year ended	12/30/88	1/1/88
Net sales	\$ 78,062,149	\$ 71,841,441
Cost of sales	62,998,703	57,386,529
Expenses	11,250,680	10,370,625
Interest expense	1,329,991	1,132,891
Gain on dispos. of fixed assets	(5,761)	(19,958)
Gain on life insur.	(320,774)	—
Other income	(82,417)	(165,178)
Income before taxes	\$ 2,891,727	\$ 3,136,532

Income taxes	1,103,500	1,359,400
Net Income	\$ 1,788,227	\$ 1,777,132

* Included in Costs and Expenses, Depreciation and Amortization: \$773,580 in 1988 and \$815,165 in 1987.
‡ Restated.

Assets		
As of	12/30/88	1/1/88
Cash	\$ 906,580	\$ 371,985
Receiv., net	12,610,397	10,410,309
* Inventories	12,774,571	12,687,748
Prepaid expenses	357,475	464,376
Current Assets	\$ 26,649,023	\$ 23,934,418
* Fixed assets	5,872,403	4,114,324
Cash value of life ins.	331,758	346,390
Defer. charges & other assets	47,983	18,870
Total Assets	\$ 32,901,167	\$ 28,414,002

Liabilities		
Notes payable	\$ 4,630,840	\$ 3,000,000
Long-term debt, curr.	1,285,773	1,137,049
Accts. payable	2,427,264	2,540,751
Accruals	2,422,080	1,746,090
Income taxes	213,279	203,217
Deferred income taxes	31,700	74,900
Curr. Liabilities	\$ 11,010,936	\$ 8,702,007
Long-term debt	9,079,667	7,408,846
Deferred inc. taxes	171,900	274,200
Other payable	2,667	4,071
+ Common stock	619,938	619,938
Add. paid-in capital	2,669,741	2,669,741
Retained earnings	10,098,633	8,735,199
Treasury stock	(2,325)	—
Loan to Emp. Stock Ownership Trust	(749,990)	—
Total Liabilities & Shareholders' Equity	\$ 32,901,167	\$ 28,414,002

* At lower of cost (FIFO) or market.
* Less accumulated depreciation.
+ No par value.

Statistical Summary

% Income before Taxes to Sales	3.70	4.37
% Net Income to Sales	2.29	2.47
% Net Income to Equity	14.15	14.78
Sales to Inventories	6.11	5.66
Debt to Equity	1.19	0.99
Working Capital	\$ 15,638,087	\$ 15,232,411
Current Ratio	2.42	2.75
Shareholders' Equity	\$ 12,635,997	\$ 12,024,878

Low & Bonar PLC

Bonar House
Faraday Street
Dundee DD1 9JA, Scotland
0382 818171

Officers: J. W. Leng, chief executive-UK/European Packaging and Plastics Division; N. Jones, chief executive-Textiles Division; G. R. McKenzie, chief executive-North American Packaging and Plastics Division; L. A. Williams, chief executive-Africa Division; N. D. McLeod, deputy group finance director; M. G. T. Long, secretary.

Directors: Sir Dermot de Traffort, chairman; R. J. Jarvis, managing director & group chief executive; G. C. Bonar, B. H. Lewis, W. L. Teller, finance director & deputy group chief executive; Sir Jack Stewart-Clark, J. W. Leng, G. R. McKenzie.

Business Activities: In the textile area, manufactures non-woven materials, carpet and sports surface yarns, polypropylene products, flotes, and a variety of apparel and textile products. Other activities include the manufacture of packaging and plastic products.

Trademarks and/or Brand Names: Carelle, UltraSoft.

Textile Subsidiaries:

Bonar Carelle Ltd.
Scotland
Production of non-wovens.

Bonar & Flotex Limited
Scotland
Production of flotex.

Bonar Textiles Limited
Dundee, Scotland
Polypropylene products.

Bonar Fibrilo NV (98%-owned)
Belgium
Polypropylene products.

Bonar Phormium NV (95%-owned)
Belgium
Polypropylene products.

Bonar & Flotex Inc.
U.S.A.
Production of flotex.

Bonar and Flotex S.A.
France
Production of flotex.

Bonar Fabrics Corporation
South Carolina, U.S.A.
Production of non-wovens.

Bonar (EA) Limited (75%-owned)
Kenya
Textile products and clothing.

Bonar Staflex (Pty.) Limited
Republic of South Africa
Production of non-wovens.

Linnat Non-Wovens (Pty.) Limited
Republic of South Africa
Production of non-wovens.

Ruffytex (Pty.) Limited
Republic of South Africa
Production of textile products.

Bonar Filters (Pty.) Limited (90%-owned)
Republic of South Africa
Filter cloths.

Bonar Colwyn Limited (89.9%-owned)
Zambia
Clothing.

Bonar Canvas Limited (89.9%-owned)
Zambia
Textile products.

Modern Garments Limited (89.9%-owned)
Zambia
Clothing.

Bonar Industries Pvt. Limited
Zimbabwe
Textile products and clothing.

Tarpaulin Industries (West Africa) Limited (40% interest)
Nigeria
Textile products and clothing.

Registrar:

The Royal Bank of Scotland plc
P.O. Box 435
Owen House
8 Bankhead Crossway North
Edinburgh EH11 4BR, Scotland

Sales & Earnings

	Net Sales \$	Net Income †
1988	£ 312,800,000	£ 16,000,000
1987	306,100,000	15,000,000
1986	259,600,000	13,600,000
1985	206,400,000	9,800,000
1984	197,100,000	8,000,000

	No. of Com. Shares +	Earn. per Share ‡
1988	77,433,390	18.72p
1987	76,035,028	17.53
1986	62,849,128	17.36
1985	49,079,652	14.91
1984	N.A.	12.19

N.A. - Not Available.

£ = pound sterling.

† Of continuing operations only.

‡ Excluding extraordinary items.

+ Adjusted to reflect stock splits.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1988	1987
Packaging	£ 189,995,000	£ 165,716,000
Plastics	43,772,000	35,091,000
Textiles	51,393,000	41,446,000
Share of related cos.	27,640,000	63,847,000
Total	£ 312,800,000	£ 306,100,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	7.00p	—	—
1987	6.00	—	—
1986	5.35	—	2-for-1
1985	4.75	—	3-for-2
1984	4.00	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	£ 93,300,000	120.47p
1987	81,200,000	106.73
1986	88,400,000	116.29
1985	52,700,000	89.79
1984	53,800,000	91.71

‡ Adjusted to reflect stock splits.

Income Account *

Year ended Nov. 30	1988	1987
Net sales	£ 312,754	£ 306,129
Cost of sales & expenses	288,708	287,109
Share of earn. of rel. cos.	(237)	(316)
Interest income	(1,650)	(875)
Inc.-cont. oper.	£ 25,933	£ 20,211
Inc. (loss)-discont. oper.	(1,125)	3,289
Interest expense	(2,563)	(2,907)
Income before taxes	£ 22,245	£ 20,593
Income taxes	6,220	5,545
Minority interest	1,606	1,707
Net Income	£ 14,419	£ 13,341
Extraord. gain	5,483	561
Net Income & extraord. gain	£ 19,902	£ 13,902

* Included in Costs and Expenses, Depreciation and Amortization: £ 9,947,000 in 1988 and £ 9,120,000 in 1987.

Assets (000's)

As of Nov. 30	1988	1987
Cash	£ 19,861	£ 2,790
Accts. receiv., net	62,193	67,451
*Stocks	40,326	47,912
Current Assets	£ 122,380	£ 118,153
Investments	5,819	5,292
#Fixed assets	79,740	79,114
Intangibles	699	2,221
Total Assets	£ 208,658	£ 204,780

Liabilities (000's)

Bank & other borrowings	£ 30,908	£ 17,048
Other creditors	61,773	65,326
Curr. Liabilities	£ 92,681	£ 82,374
Bank & other borrowings	3,180	17,268
Other creditors	6,467	7,341
Minority interest	9,712	12,032
Deferred income	1,292	1,061
Deferred taxes	1,645	3,153
+Preferred stock:		
6% first cumulative	100	100
6% second cumulative	100	100
5.5% third cumulative	200	200
++Common stock	38,717	38,018
Add. paid-in capital	15,934	15,317
Revaluation reserve	1,123	2,627
Exchange reserve	(3,498)	(7,269)
Other reserves	(15,337)	(11,902)
Retained earnings	56,342	44,360
Total Liabilities & Shareholders' Equity	£ 208,658	£ 204,780

* At lower of cost or net realizable value.

Less accumulated depreciation.

+ No par value.

++ 50p par value.

Statistical Summary

%Net Income to Equity	15.39	16.36
Sales to Inventories	7.76	6.39
Debt to Equity	0.36	0.42
Working Capital	£ 29,699,000	£ 35,779,000
Current Ratio	1.32	1.43
Shareholders' Equity	£ 93,681,000	£ 81,551,000

Manhattan Industries, Inc.

(Acquired by Salant Corporation in August, 1988)

1155 Avenue of the Americas
New York, New York 10036
(212) 221-7500

Administrative offices:
23 DeBoer Drive
Glen Rock, New Jersey 07452
(201) 447-2000

Officers: Laurence C. Leeds, Jr., chairman of the board & chief exec. officer; Nicholas P. DiPaolo, president & chief operating officer; Donald H. Kallman, vice chairman of the board, exec. v.p. & chairman of the exec. committee; Samuel M. Miller, v.p., secretary-treasurer & controller; Bruce P. Fogwell, v.p.-advertising & public relations; Zachary Solomon, exec. v.p.

Directors: Roy M. Goodman, Thomas Hoving, Donald H. Kallman*, Laurence C. Leeds, Jr.*, Jack Lyons, Irving Matthews, Irving Silverman, Carl Spielvogel, Louis C. Stengel, Jr., Harvey N. Krueger, E. John Rosenwald, Jr., Nicholas P. DiPaolo*, Zachary Solomon*, Thomas J. Tinch.

* Member of the Executive Committee

Manhattan Industries, Inc.

Business Activities: Manufactures and retails men's and women's apparel. The Apparel Division consists of three companies manufacturing men's wear and two manufacturing women's wear. The Retail Division is composed of 59 stores operated by Manhattan Factory Outlets, which sell apparel and domestic furnishings in the Northeast and South. The Company's Licensing Division represents Manhattan licensees operating in 45 countries.

Trademarks and/or Brand Names: Manhattan, John Henry, Harness House, Liberty of London, Lady Manhattan, Vera, Lanvis, lady Baynard, Baynard Sport, Sea Isle, Manhattan-Ward, Manhattan International, Frost Bros., Equipment by Henry Grethel, Anne Klein for New Aspects, Pierre, Perry Ellis, Kimberly, Balmain, VeraSport, John Henry for Women, Equipment for Women, Perry Ellis Portfolio.

Divisions and Subsidiaries:

Apparel Division:

Men's Wear

The Manhattan Shirt Company
1155 Avenue of the Americas
New York, New York 10036

Manufactures and sells men's shirts, sportshirts, sport knits, and pajamas. Manufacturing plant: Americus, Ga.

Manhattan Accessories Division
1155 Avenue of the Americas
New York, New York 10036

Manufactures and sells men's neckwear, scarves and mufflers, belts and small leather goods.

John Henry for Men

1155 Avenue of the Americas
New York, New York 10036

Markets men's shirts, sportshirts and accessories.

Morgan Shirt Corporation
Morgantown, West Virginia
Manufactures men's shirts.

Henry Grethel for Men

1155 Avenue of the Americas
New York, New York 10036

Markets designer sportswear, shirts and furnishings.

Women's Wear

MI Designer Group

Anne Klein for New Aspects
1411 Broadway
New York, New York 10018

Manufactures and sells women's blouses.

The Lady Manhattan Company
1407 Broadway
New York, New York 10018
(212) 265-3700

Manufactures and sells blouses. Mfg. Plant: Scranton, Pa.

The Vera Companies

1411 Broadway
New York, New York 10018
(212) 265-3700

Manufactures and sells women's sportswear, dresses, scarves and table linens. Mfg. Plants: Puerto Rico and Grafton, W. Va.

John Henry for Women

1411 Broadway
New York, New York 10018

Markets women's shirts and tops.

Manhattan Dress Division

1400 Broadway
New York, New York 10018

Manufactures and markets John Henry, Peter Ashley, and Lanvin dresses.

Perry Ellis Division

575 Seventh Avenue
New York, New York 10018

Designs and markets women's and men's sportswear.

Henry Grethel for Women

1411 Broadway
New York, New York 10018

Markets women's shirts, tops and sportswear.

Retail Division:

Manhattan Factory Outlet
15-01 Broadway
Fair Lawn, New Jersey 07410
(201) 797-8660

Licensing Division

Manhattan Licensing
1155 Avenue of the Americas
New York, New York 10036

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1987	\$ 335,754	\$ (7,419)
1986	335,469	(11,008)
1985	381,018	1,124
1984	308,809	11,547
1983	279,236	7,525

	No. of Com. Shares †	Earn. per Share ‡
1987	5,061,000	\$ —
1986	5,041,000	—
1985	4,824,000	0.20
1984	4,143,000	2.67
1983	3,832,000	1.78

(Loss)

+ Of continuing operations only.

‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	\$ 0.20	4%	—
1986	0.25	4%	—
1985	0.30	4%	—
1984	0.30	4%	—
1983	0.30	4%	—

Common Stock Equity

	Total Equity †	Equity Per Share #
1987	\$ 62,671,000	\$ 12.28
1986	70,987,000	14.05
1985	83,040,000	16.52
1984	72,721,000	16.60
1983	59,987,000	15.84

† After allowing for convertible preferred stock at involuntary liquidation value.

Adjusted to reflect stock dividends.

Income Account *

Year ended Jan. 31	1987	1986
Net sales	\$ 335,754	\$ 335,469
Cost of sales	252,769	254,887
Expenses	81,898	80,624
Royalty & other income	(6,087)	(5,022)
Interest expense	10,296	11,693
Non-recurring inc.	(9,333)	(1,482)
Bus. realign. charge	7,500	16,800
Loss bef. taxes	\$ (1,289)	\$ (22,031)
Income tax (credit)	—	(10,900)
Loss - cont. oper.	\$ (1,289)	\$ (11,131)
Inc. (loss) - discont. oper.	(6,130)	123
Net Loss	\$ (7,419)	\$ (11,008)

* Included in Costs and Expenses, Depreciation and Amortization: \$5,061,000 in 1987 and \$4,885,000 in 1986.

Assets (000's)

As of Jan 31	1987	1986
Cash	\$ 1,475	\$ 2,436
Accts. receiv., net	13,267	21,568
*Inventories	71,563	74,503
Prepaid expenses	3,363	3,783
Net assets held for sale	5,773	34,844
Current Assets	\$ 95,441	\$ 137,134
Investments & other assets	13,738	13,699
*Fixed assets	25,963	30,238
Prop. under cap. leases	2,251	2,528
Total Assets	\$ 137,393	\$ 183,599

Liabilities (000's)

Notes payable	\$ 8,436	\$ 31,788
Long-term debt, curr.	6,460	6,815
Accounts payable & accruals	32,250	29,344
Curr. Liabilities	\$ 47,146	\$ 67,947
Long-term debt	23,088	39,584
Cap. lease oblig.	2,268	2,608
Other liabilities	—	—
deferred credits	1,798	1,911
+Preferred stock	422	562
+Common stock	5,104	4,837
Add. paid-in capital	50,992	47,926
Retained earnings	6,575	18,204
Total Liabilities & Shareholders' Equity	\$ 137,393	\$ 183,599

* At lower of cost or market. FIFO for apparel operations; retail method for outlet stores.

Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

Sales to Inventories	4.69	4.50
Debt to Equity	0.64	1.13
Working Capital	\$ 48,295,000	\$ 69,187,000
Current Ratio	2.02	2.02
Shareholders' Equity	\$ 63,093,000	\$ 71,549,000

Manville Corporation

P.O. Box 5108
Denver, Colorado 80217-5108
(303) 978-2000

Officers: George C. Dillon, chairman; W. Thomas Stephens, president & chief exec. officer; S. Rollins Heath, Jr., sr. v.p.; Alfred B. Gough, sr. v.p. & pres.-Specialty Products Group; John D. C. Roach, exec. v.p.; William A. Sells, Jr., sr. v.p. & pres.-Fiber Glass Group; Harry W. Sherman, sr. v.p. & pres.-Forest Products Group; Richard B. Von Wald, sr. v.p. & gen. counsel; Roger H. Bengtson, v.p.; Robert Anderson, Jr., v.p.; Robert E. Cole, v.p.; Donald L. Ferguson, v.p.; Robert A. Boardman, v.p. & secretary; C. Van Draper, treasurer; Frank R. McCauley, v.p. & controller.

Directors: George C. Dillon, chairman; Robert L. Geddes, William C. Jansa, George B. Munroe, Charles J. Zwick, W. Thomas Stephens, William D. Tucker, Jr., Archie R. Dykes, James M. Guinan, Robert S. Hamada, L.W. Jennings, Stanley J. Levy, Will M. Storey, Raymond S. Trough.

Business Activities: One of the largest producers of fiber glass products and beverage carrier board and cartons and suppliers of diatomite, a primary filtering agent and filler used by the beverage, pharmaceutical, paint, and food processing industries. The Fiber Glass Group produces insulation fiber and continuous strand fiber glass filament. End products manufactured include a wide range of thermal and acoustical insulations, fiber glass specialty and roofing mats, and glass fibers and reinforcements, for use by a variety of industries.

Trademarks and/or Brand Names: BestPack, FastPak, Mobinsul, Rich-R, Spintex, Suspend-R, Win-R, Dura Foil, Dura Glass, Glass Thane, Microlith, Quilite, Tempstran.

U.S. Plant Locations: Fort Worth, Nacogdoches & Cleburne, Tx.; Bakersfield, Lompoc, Pittsburg, Corona & Wilows, Ca.; Defiance, Cincinnati, Newark, Pataskala, Springfield, Utica & Waterville, Oh.; McPherson, Ks.; Parkersburg, W.V.; Jamesburg, Edison, Penbryn, N.J.; Richmond, Elkhart, In.; Savannah & Winder, Ga.; West Monroe & Joyce, La.; Natchez & Clinton, Mis.; Richmond, Edinburg, Va.; Etowah & Memphis, Tenn.; Waukegan, Rockdale & Kankakee, Ill.; Huttig, Arkansas; Lewiston, Maine; North Billerica, Massachusetts; Nashua, New Hampshire; Laurinburg & Charlotte, North Carolina; Zelienople, Pennsylvania; Marshfield, Madison, Wisconsin; No Agua, N.M.; Antonito, Colo.; Tucson, Ariz.

Operating Groups:

Fiber Glass Group
Forest Products Group
Specialty Products Group

Transfer Agent(s):

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, Midwest*, Pacific*, Boston*, Cincinnati*, Philadelphia*. * Unlisted trading privileges.

Ticker Symbol: MVL

Sales & Earnings

	Net Sales +	Net Income ‡
1988	\$2,062,184,000	\$ (1,298,885)
1987	1,935,219,000	72,597,000
1986	1,802,915,000	81,228,000
1985	1,760,656,000	(51,937,000)
1984	1,708,773,000	73,009,000

	No. of Com. Shares	Earn. per Share ‡
1988	39,408,487	\$ —
1987	24,001,096	0.61
1986	24,000,833	0.68
1985	24,000,570	—
1984	24,000,242	0.61

(Loss)

+ Of continuing operations only.

‡ Including extraordinary losses of \$1,287,912 in 1988 and \$91,473 (\$0.76 per share) in 1987.

Based on the number of shares outstanding during the period.

Revenues by Line of Business (000's)

	1988	1987
Fiber glass prod.	\$ 935,468	\$ 876,206
Forest prod.	667,336	595,642
Specialty prod.	494,407	496,184
Corp. & eliminations	(35,027)	(32,813)
Total	\$ 2,062,184	\$ 1,935,219

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ (71,645,500) #	\$ —
1987	1,070,185,000	44.59
1986	973,943,000	40.58
1985	878,226,000	36.59
1984	896,027,000	37.33

After allowing for preferred stock at liquidation values.

Income Account * (000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 2,062,184	\$ 1,935,219
Cost of sales	1,545,327	1,439,674
Expenses	239,498	237,847
Interest expense	40,412	24,583
Chap. XI & asbestos costs	11,754	15,210
Restruc. charges	139,196	(2,650)
Other income	(68,964)	(49,688)
Inc. bef. taxes	\$ 154,961	\$ 270,241
Income taxes	65,876	113,186
Inc.-cont. oper.	\$ 154,961	\$ 270,241
Inc.-discont. oper.	6,879	7,015
Net Income	\$ 95,964	\$ 164,070
Extraord. loss	(1,287,912)	(91,473)
Cum. effect of acct. change	(106,937)	—
Net Income & extraord. loss	\$ (1,298,885)	\$ 72,597

* Included in Costs and Expenses, Depreciation and Depletion: \$101,148,000 in 1988 and \$92,555,000 in 1987.

Assets (000's)

As of Dec. 31	1988	1987
Cash	\$ 219,175	\$ 210,337
Marketable securities	54,494	385,365
Acct. receiv., net	298,267	308,719
Inventories	146,183	159,652
Prepaid expenses	13,529	27,045
Current Assets	\$ 731,648	\$ 1,091,118
# Fixed assets	1,426,534	1,457,870
Defer. charges & other assets	155,855	203,549
Assets held for sale	78,893	—
Total Assets	\$ 2,392,930	\$ 2,752,537

Liabilities (000's)

	1988	1987
Short-term debt	\$ 76,899	\$ 20,561
Accts. payable	103,387	103,606
Compensation & emp. benefits	97,088	100,700
Income taxes	30,699	14,068
Other liabilities	113,034	72,589
Curr. Liabilities	\$ 421,107	\$ 311,524
Long-term debt	869,281	223,070
Liab. sub. to chap. XI	—	547,338
Def. inc. taxes	96,767	198,136
Other liabilities	207,889	101,484
+ Series A conv. pref. stock	417,600	—
+ Series B conv. pref. stock	88,901	—
+ Common stock	480	40,172
Add. paid-in capital	761,351	178,400
Retained earnings (deficit)	(478,704)	821,290
Treasury stock	—	(2,068)
Cum. currency trans. adj.	8,258	12,391
Total Liabilities & Shareholders' Equity	\$ 2,392,930	\$ 2,752,537

* At lower of cost (principally LIFO) or market.

Less accumulated depreciation and depletion.

+ \$1 par value.

++ \$0.01 par value.

Statistical Summary

%Net Income to Equity	12.03	15.33
Sales to Inventories	14.11	12.12
Debt to Equity	1.19	0.23
Working Capital	\$ 310,541,000	\$ 779,594,000
Current Ratio	1.74	3.50
Shareholders' Equity	\$ 797,846,000	\$ 1,070,185,000

The Marcade Group, Inc.

805 Third Avenue
New York, New York 10022
(212) 935-8484

Officers: Robert K. Lifton, co-chairman of the board & secretary; Howard L. Weingrow, co-chairman of the board, asst. treasurer & asst. secretary; Charles S. Ramat, president & asst. secretary; Kenneth F. Korb, sr. v.p.; Paul Spector, v.p. & controller; Herbert Goldsmith, chief executive-Europe Craft Imports Inc.; William Perry, Jr., chief executive-Marlene Industries Corporation; Barry J. Lakis, chief executive-Booth Bay, Ltd.; William K. Woltz, Jr., chief executive-Perry Manufacturing Company.

Directors: Robert K. Lifton, co-chairman; Howard L. Weingrow, co-chairman; William M. Lendman, Charles S. Ramat, David N. Schreiber, Herbert I. Wexler, Alexander M. Goren, James G. Goren.

Business Activities: Designs, manufactures and distributes a wide variety of women's clothing, and designs, imports and distributes men's outerwear and sportswear.

Trademarks and/or Brand Names: Members Only.

Divisions and Subsidiaries:

Marlene Industries Corporation
1372 Broadway
New York, New York 10018

Designs, manufactures and markets budget women's apparel, primarily separates, such as pants and skirts that retail for \$7-\$25 each. These products are sold nationwide to chain stores, mail order companies, and department stores.

Booth Bay, Ltd.

1372 Broadway
New York, New York 10018
(212) 944-0877

Designs, manufactures and distributes women's budget sportswear, including blouses, sweaters, pants, shorts, dresses and pant sets. These products are distributed to large retail chains and mass merchandisers.

Perry Manufacturing Company

100 Woltz Avenue
Mount Airy, North Carolina 27030
(919) 786-6171

Designs, manufactures or contracts for the manufacture of, and distributes moderately priced misses', women's, junior and petite sportswear in knit and woven fabrics to national chain retailers.

Europe Craft Imports Inc.

445 Fifth Avenue
New York, New York 10016
(212) 686-5050

Designs, contracts for the manufacture of, imports and distributes men's outerwear and sportswear, substantially all of which is sold under the "Members Only" and related brand names to department stores and specialty stores.

Acquisition:

Above The Belt, Inc.
Richmond, Virginia

Manufactures young men's tops and sweaters under the "Street Scenes" label.

Transfer Agent(s):

Manufacturers Hanover Trust Company
P.O. Box 24935
Church St. Station
New York, New York 10249

Stock Exchange(s): New York

Ticker Symbol: MAR

The Marcade Group, Inc.

Sales & Earnings

	Revenues +	Net Income #
1989	\$ 286,733,000	\$ 8,377,000
1988	165,998,000	7,114,000
1987	72,286,000	15,119,000
1986*	69,084,000	(10,511,000)
1985	71,383,000	(21,934,000)

	No. of Com. Shares	Earn. per Share #
1989	23,704,507	\$ 0.20
1988	11,389,645	0.25
1987	9,266,364	1.39
1986*	9,274,224	—
1985	9,274,824	—

(Loss)

* 53 weeks.

+ Of continuing operations only.

Including extraordinary gains of \$2,756,000 (0.08 per share) in 1989, \$3,838,000 (\$0.14 per share) in 1988 and \$14,795,000 (\$1.36 per share) in 1987.

‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	\$ 46,573,000 ‡	\$ 1.96
1988	20,035,000 ‡	1.76
1987	188,000 ‡	0.02
1986	(14,922,000)	—
1985	(4,411,000)	—

(Deficiency)

‡ After allowing for preferred stock at liquidation values.

Income Account*

Year ended	1/28/89	1/30/88
Revenues	\$ 286,733	\$ 165,998
Cost of sales	217,560	131,361
Expenses	45,886	23,028
Interest expense	13,687	6,793
Litigation settlement	675	—
Gain on term. of pension plan	(525)	—
Gain on dispos. of units	(1,255)	(1,565)
Inc. bef. taxes	\$ 10,705	\$ 6,381
Income taxes	5,084	3,105
Net Income	\$ 5,621	\$ 3,276
Extraord. gain	2,756	3,838
Net Income & extraord. gain	\$ 8,377	\$ 7,114

* Included in Costs and Expenses, Depreciation and Amortization: \$4,105,000 in 1989 and \$2,056,000 in 1988.

Assets

As of	4/28/89	1/30/88
Cash	\$ 22,552	\$ 8,826
Receivables	33,895	16,989
*Inventories	53,523	47,335
Prepaid expenses	1,816	2,554
Current Assets	\$ 111,786	\$ 75,704
#Fixed assets	15,387	14,975
Intangibles	31,999	27,558
Def. charges & other assets	3,402	8,413
Total Assets	\$ 162,574	\$ 126,650

Liabilities

Long-term debt, curr.	\$ 3,443	\$ 761
Trade accept. payable	1,530	2,868
Accts payable	19,054	14,811
Accruals	14,012	8,712
Due to former ECI shareholder	1,287,000	—
Curr. Liabilities	\$ 39,326	\$ 27,152
Long-term debt	63,158	70,235
Subord. notes	2,000	2,000
Sr. convert. notes	2,000	2,000
Other liabilities	6,117	1,828
+Preferred stock:		
Class A	1,300	1,300
Class B	2,100	2,100
+Common stock	2,391	1,140
Add. paid-in capital	19,444	16,677
Retained earnings	9,823	2,904
Treasury stock	(706)	(706)
Total Liabilities & Shareholders' Equity	\$ 162,574	\$ 126,650

* At lower of cost (FIFO) or market. Europe Craft Imports stated at weighted average.

Less accumulated depreciation and amortization.

+ \$0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	3.73	3.84
%Net Income to Revenues	2.92	4.29
%Net Income to Equity	16.78	30.36
Debt to Equity	1.33	3.03
Working Capital	\$ 72,460,000	\$ 48,552,000
Current Ratio	2.84	2.79
Shareholders' Equity	\$ 49,973,000	\$ 23,435,000

Mayfair Industries, Inc.

(Acquired by Apparel America, Inc. on May 15, 1989.)

1407 Broadway
New York, New York 10018
(212) 921-1717

Officers: Burton I. Koffman, chairman of the board; Robert C. Postal, vice chairman & chief executive officer; Steven Chernick, president; Richard E. Koffman, executive v.p. & secretary; Frederick M. D'Amato, v.p.-finance & asst. secretary; Allan Igo, v.p. & national sales mgr.; Jerrold Robinson, dir.-licensing; Michael W. Katz, v.p. & treasurer; Jo Ann Marra, dir.-design & art.

Directors: Burton I. Koffman, chairman; Robert C. Postal, Steven Chernick, Richard E. Koffman, Arnold B. Gardner, David W. Fickler.

Business Activities: Designs, manufactures and distributes juniors', misses', and children's long and short sleeve casual pullover garments. The Company's products include a variety of sweatshirts, turtlenecks, T-shirts, one-piece dresses, night shirts and maternity and other oversized tops, which display the Company's original characterizations and graphic designs. Other Company products include acid dyed and stone washed jeans.

Trademarks and/or Brand Names: B.J. Frog, Jane Colby, Rrrrbitt Rrrrbitt, J.A.M., Quote-Me, Life Savers.

Plant Locations: Shoemakersville & Summit Hill, Pa.; Montezuma, Ga.

Subsidiaries

Manufacturers Direct Sales, Inc.
Markets a wide range of giftware and garments primarily to airport and amusement park gift shops.

Pilgrim Industries, Inc.
Summit Hill, Pennsylvania
Manufactures children's sportswear with licenses for all Disney trademarked characters and California Raisins, among others.

Sales & Earnings

	Net Sales	Net Income †
1987	\$ 32,600,000	\$ 4,770,000
1986	25,885,000	2,370,000
1985	19,308,000	1,358,000
1984	10,706,000	109,000
1983	11,910,000	134,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	3,822,019	\$ 1.25
1986	2,980,247	0.80
1985	2,925,294	0.46
1984	2,925,294	0.04
1983	2,925,294	0.05

† Including extraordinary gains of \$2,110,000 (\$0.55 per share) in 1987 and \$295,000 (0.10 per share) in 1986.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	\$ 14,888,000	\$ 3.90
1986	10,551,000	3.54
1985	1,740,000	0.59
1984	382,000	0.13
1983	(1,631,000)	—

(Deficiency)

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*

Year ended Dec. 31	1987	1986
Net sales	\$ 32,600,449	\$ 25,884,934
Cost of sales	22,414,035	18,074,895
Expenses	5,383,033	3,313,163
Interest expense	58,289	366,138
Loss of market secur.	152,779	—
Other income	(327,735)	—
Income before taxes	\$ 4,920,048	\$ 4,130,728
Income taxes	2,360,000	2,056,025
Net Income	\$ 2,560,048	\$ 2,074,703
Extraord. gain	2,110,000	295,000
Net Income & extraord. gain	\$ 4,670,048	\$ 2,369,703

* Included in Costs and Expenses, Depreciation and Amortization: \$122,343 in 1987 and \$76,161 in 1986.

Assets

As of Dec. 31	1987	1986
Cash	\$ 2,271,167	\$ 5,446,384
Accts. receiv., net	4,231,929	3,586,640
*Inventories	8,547,649	3,739,680
Prepaid expenses	276,204	386,342
Current Assets	\$ 15,326,949	\$ 13,159,046
#Fixed assets	1,419,670	270,319
License rights	1,537,814	—
Trademarks	441,780	474,034
Deposits	51,342	25,196
Market Secur.	1,397,248	—
Total Assets	\$ 20,194,803	\$ 13,928,597

Liabilities

Long-term debt, curr.	\$ 373,792	\$ 221,330
Accts. payable	3,173,941	1,364,573
Accrued compensation	675,701	766,770
Income taxes	86,921	237,444
Other current liabilities	713,378	534,197
Curr. Liabilities	\$ 5,023,733	\$ 3,126,314

Minnesota Mining and Manufacturing Company

Long term debt	282,623	251,001
+Common stock	37,547	36,900
Add. paid-in capital	9,123,010	9,014,070
Retained earnings	6,270,760	1,500,712
Treasury stock	(456,987)	—
Net unreal. loss on non-curr. secur.	(85,883)	—
Total Liabilities & Shareholders' Equity	\$ 20,194,803	\$ 13,928,597

* At lower of cost (FIFO) or market.
 # Less accumulated depreciation and amortization.
 + \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	15.09	15.96
%Net Income to Sales	8.16	8.02
%Net Income to Equity	17.87	19.66
Sales to Inventories	3.81	6.92
Debt to Equity	0.04	0.04
Working Capital	\$ 10,303,216	\$ 10,032,732
Current Ratio	3.05	4.21
Shareholders' Equity	\$ 14,888,447	\$ 10,551,282

McRae Industries, Inc.

Highway 109 North
 P.O. Box 726
 Mount Gilead, North Carolina 27306
 (919) 439-6147

Officers: Branson J. McRae, chairman, president & treasurer; D. Gary McRae, first v.p.; Victor A. Karam, v.p.-footwear; Thaddeus R. Tedder, secretary; Harold W. Smith, v.p.-finance & accounting; James W. McRae, v.p.; Charles V. Rice, controller.

Directors: Branson J. MacRae, chairman; Thaddeus R. Tedder, George M. Bruton, Brady W. Dickson, Victor A. Karam, D. Gary McRae, Harold W. Smith, Hilton J. Cochran, James W. McRae.

Business Activities: Manufactures combat boots for the U.S. armed forces, and camouflage pants, jackets and field coats primarily for the sporting goods market. In addition, the Company manufactures electronic systems and computer software, operates a restaurant and a lodging facility, sells and services photocopiers, operates a printing business, and is engaged in various financing and leasing activities.

Plant Location(s): Wadeville, Troy, and Raeford, North Carolina.

Divisions and Subsidiaries:

Footwear Division
 Raecraft Apparel
 Compcon, Inc.
 McRae Boot, Inc.
 McRae Graphics, Inc.
 Raecraft Packaging, Inc.
 Facis Business Equipment, Inc.
 Sandhill Fabricators, Inc.
 Hoke Development Company

Transfer Agent(s):

First Union National Bank
 Securities Transfer Dept. CMG-5
 Suite 450, UCB Building
 212 South Tryon Street
 Charlotte, North Carolina 28281

Stock Exchange(s): American

Ticker Symbol: MRI-A and MRI-B

Sales & Earnings

	Net Sales	Net Income
1988	\$ 30,936,612	\$ 2,522,043
1987	27,982,457	2,253,050
1986	23,278,681	1,184,822
1985*	22,338,782	833,200
1984	15,558,625	(398,607)
	No. of Com. Shares ‡	Earn. per Share ‡
1988	2,675,654	\$ 0.94
1987	2,675,654	0.84
1986	2,675,654	0.44
1985*	2,675,654	0.31
1984	2,675,654	—

(Loss)
 * 53 weeks.
 ‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1988	1987
Footwear & apparel mfg.	\$ 21,259,869	\$ 20,859,933
Elec. syst. develop. & sales	4,922,807	3,271,768
Photocopier sales & leasing	4,000,766	3,182,885
Other	753,170	668,371
Total	\$ 30,936,612	\$ 27,982,957

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 0.36	—	—
1987	0.46	—	—
1986	0.10	—	—
1985	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 10,589,140	\$ 3.96
1987	8,595,217	3.21
1986	6,971,912	2.61
1985	5,921,080	2.21
1984	5,221,679	1.95

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Accruals*

Year ended	7/30/88	8/1/87
Net revenues	\$ 30,936,612	\$ 27,982,957
Cost of sales	22,940,693	20,029,800
Expenses	3,787,257	3,519,804
Other income	(210,224)	(171,573)
Interest expense	92,366	146,531
Eq. in loss of investment	76,033	23,404
Income before taxes	\$ 4,250,487	\$ 4,432,991
Income taxes	1,666,505	2,167,063
Minority interest	61,939	12,878
Net Income	\$ 2,522,043	\$ 2,253,050

* Included in Costs and Expenses, Depreciation: \$470,497 in 1988 and \$482,782 in 1987.

Assets

As of	7/30/88	8/1/87
Cash & cash equiv.	\$ 1,826,898	\$ 1,630,736
Marketable securities	226,744	226,744
Accts. receiv., net	2,545,486	1,831,740
*Inventories	4,196,184	4,171,985
Invest. in cap. leases	529,445	405,127
Prepaid expenses	182,781	86,546
Current Assets	\$ 9,507,538	\$ 8,372,878
Investment - rel. cos.	91,881	167,914
Notes & accts. receiv.	630,592	408,574
#Fixed assets	3,673,965	3,409,853
Invest. in cap. leases	903,152	397,468
Undeveloped land	167,475	196,920
Other assets	350,706	180,425
Total Assets	\$ 15,315,309	\$ 13,334,032

Liabilities

Notes payable	\$ 969,439	\$ 1,050,108
Long-term debt, curr.	42,000	72,445
Accts. payable	1,311,304	1,079,294
Accrued emp. benefits	663,559	647,365
Deferred serv. contracts	340,456	231,673
Other accruals	506,745	505,168
Income taxes	100,505	361,873
Current Liabilities	\$ 3,934,008	\$ 3,947,926
Long-term debt	69,694	214,702
Deferred inc. taxes	647,650	563,309
Minority interest	74,817	12,878
+ Common stock:		
Class A	1,481,189	1,410,765
Class B	1,194,465	1,284,889
Add. paid-in capital	576,771	576,771
Retained earnings	7,336,715	5,342,792
Total Liabilities & Shareholders' Equity	\$ 15,315,309	\$ 13,334,032

* At lower of cost or market. Footwear inventories at LIFO, all others at FIFO.
 # Less accumulated depreciation.
 + \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.74	15.84
%Net Income to Sales	8.15	8.05
%Net Income to Equity	23.82	26.21
Sales to Inventories	7.37	6.71
Debt to Equity	0.10	0.16
Working Capital	\$ 5,573,530	\$ 4,424,952
Current Ratio	2.42	2.12
Shareholders' Equity	\$ 10,589,140	\$ 8,595,217

Minnesota Mining and Manufacturing Company

3M Center
 St. Paul, Minnesota 55144-1000
 (612) 733-1110

Officers: Allen F. Jacobsen, chairman of the board & chief executive officer; L. D. DeSimone, exec. v.p.-Industrial & Electronics Sector; Allan J. Huber, exec. v.p.-Commercial & Consumer Sector; M. J. Monteiro, exec. v.p.-international operations; Kenneth A. Schom, exec. v.p.-Information & Imaging Technologies Sector; Jerry E. Robertson, exec. v.p.-Life Sciences Sector; Stanley W. Thiele, sr. v.p.-administrative services; Darrell H. Boyd, v.p.-Audio Visual and Commercial Graphics; William E. Coyne, v.p.-Health Care Group; Charlton Dietz, sr. v.p.-legal affairs & general counsel; Ralph D. Ebbott, v.p. & treasurer; Harry A. Hammerly, v.p.-Europe; Douglas R. Hanson, v.p.-Asia Pacific/Canada; George L. Hegg, v.p.-strategy; planning services; Lester C. Krogh, sr. v.p.-research & development; Joseph L. Kuhn, v.p.-Tape & Automotive Group; Carl A. Kuhrmeyer, v.p.-administration; Sidney M. Lashy, v.p.-Chemicals, Film & Allied Products Group; Ronald A. Mitsch, v.p.-Traffic and Personal Safety Products Group; J.

Minnesota Mining and Manufacturing Company

Marc Adam, v.p.-Consumer Products Group; Lawrence E. Eaton, v.p.-Memory Technologies Group; Gerard G. Mueller, v.p.-engineering; Gerald D. Pini, v.p.-Telecom Group; John T. Howard D. Myser, v.p.-Abrasives Cleaning Products & Industrial Minerals Group; John R. Osmon, v.p.-Commercial Markets Group; Roger W. Roberts, sr. v.p.-finance; Benjamin L. Shely, v.p.-Imaging Systems Group; Thomas P. Skoog, v.p.-Advertising Service Group; Christopher J. Wheeler, v.p.-human resources; Arlo D. Levi, v.p. & secretary; JoAnn J. Bohne, asst. secretary; Thomas J. Lyons, asst. secretary; Walter N. Kirm, asst. secretary; Roger P. Smith, asst. secretary; Dwight A. Peterson, asst. treasurer

Directors: Charlton Dietz*, Lewis W. Lehr, Lee L. Morgan, Allen E. Murray, John G. Ordway, Jr., Norma T. Pace, Peter G. Peterson, J. Alexander McMahon, Allen F. Jacobson*, Edward A. Brennan, L. D. DeSimone*, Allan J. Huber*, M. J. Monteiro*, F. Alan Smith.

* Member of the Executive Committee

Business Activities: The Company's operations are organized into four sectors: Industrial and Electronic; Information and Imaging Technologies; Life Sciences; and Commercial and Consumer. In the textile area, the Company manufactures a waterproof, breathable fabric for sports apparel which is marketed under the Thintech brand, in addition to Thinsulate brand thermal insulation. Both products are sold to apparel manufacturers.

Textile Trademarks and/or Brand Names: Thintech, Thinsulate.

Operating Units:

Industrial and Electronic

Principal products include pressure-sensitive tapes; coated abrasives; low-density abrasives; adhesives, coatings and sealants; fluorochemicals; specialty films and chemicals; roofing granules; fastening systems; floor pads; floor maintenance products; non-slip surfacing materials; advanced ceramic materials; energy control products; decorative marking films; tape dispensing/application equipment; electric/electronic connectors; wiring and cabling products; insulating and conductive materials; flame-retardant materials; shielding and protective products; test and measuring products; and fiber-optic products and systems. Chemicals, Film and Allied Products Group, Electro-Telecommunications Group, Tape and Automotive Group, Abrasives, Cleaning Products and Industrial Materials Group.

Information and Imaging Technologies

Principal products include lithographic plates and films; color proofing systems; photographic films; x-ray films and screens; overhead projection systems; graphic film materials; digital image processing systems; micrographic products; audio, video and computer tapes; diskettes and data cartridges; dry silver films; and laser-based optical media. Imaging Systems Group, Memory Technologies Group, Audio Visual and Commercial Graphics Group, Information Systems Group.

Life Sciences

Principal products include disposable diaper closures; garment insulation and specialty fabrics; respiratory protection products; traffic control materials and systems; surveillance and monitoring devices; security films; filtration systems; optical components; pharmaceuticals; surgical drapes and masks; tapes and dressings; wound closures; vision care products; casting materials; powered surgical instruments; dental materials; orthodontic products; electrodes; heart-lung machines; oxygenators; intravenous infusion systems; drug-delivery components; infection control products; electronic pain control devices; animal care products; diagnostic products; health information systems; surgical prepping solutions; skin and internal staplers; and stethoscopes. Traffic and Personal Safety Products Group, Medical Products Group, Pharmaceutical & Dental Products Group.

Commercial and Consumer

Principal products include household cleaning devices; chemical cleaners and protectors; window insulating systems; caulks; pressure-sensitive tapes; repositionable paper products; carbonless papers; coated abrasives; personal care products; outdoor advertising; print media advertising; shopping mall directories; computer software for publishers; and music/messaging systems. Commercial Markets Group, Consumer Products Group, Advertising Services Group.

Transfer Agent(s):

Norwest Bank Minnesota, N.A. (common stock)
161 North Concord Exchange
P.O. Box 738
South St. Paul, Minnesota 55075

First Trust Company, Inc. (notes & debentures)
P.O. Box 64008
St. Paul, Minnesota 55164

Morgan Guaranty Trust Company of New York (notes & debentures)
30 West Broadway
New York, New York 10007

Manufacturers Hanover Trust Company (notes & debentures)
40 Wall Street
New York, New York 10015

Stock Exchange(s): New York, Pacific, Midwest, Paris, Amsterdam, Switzerland, Germany, Tokyo

Ticker Symbol: MMM

Sales & Earnings

	Net Sales † (000's)	Net Income (000's)
1988	\$ 10,581,000	\$ 1,154,000
1987	9,429,000	918,000
1986	8,602,000	779,000
1985	7,846,000	664,000
1984	7,705,000	733,000

	No. of Com. Shares	Earn. per Share #
1988	224,332,865	\$ 5.09
1987	227,492,769	4.02
1986	228,532,762	3.40
1985	229,144,574	2.89
1984	232,596,730	3.14

† Includes other operating revenues.

Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business (000's)

	1988	1987
Industrial & electronic	\$ 3,825,000	\$ 3,448,000
Information & imaging technologies	2,978,000	2,648,000
Life sciences	2,285,000	2,001,000
Commercial & consumer	1,483,000	1,327,000
Eliminations	10,000	5,000
Total	\$ 10,581,000	\$ 9,429,000

Common Stock

	Cash Dividend \$	Stock Dividend	Stock Split
1987	1.86	—	2-for-1
1986	1.80	—	—
1985	1.75	—	—
1984	1.70	—	—
1983	1.65	—	—

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share #
1988	\$ 5,514,000	\$ 24.58
1987	5,060,000	22.24
1986	4,463,000	19.53
1985	4,008,000	17.49
1984	3,814,000	16.40

Adjusted to reflect stock split.

Income Account * (000's)

Year ended Dec. 31	1988	1987
Net sales & revenues	\$ 10,581,000	\$ 9,429,000
Cost of sales	6,105,000	5,513,000
Expenses	2,593,000	2,338,000
Interest expense	95,000	95,000
Other income	(94,000)	(82,000)
Income before taxes	\$ 1,882,000	\$ 1,565,000
Income taxes	728,000	647,000
Net Income	\$ 1,154,000	\$ 918,000

* Included in Costs and Expenses, Depreciation and Amortization: \$675,000,000 in 1988 and \$609,000,000 in 1987.

Assets (000's)

As of Dec. 31	1988	1987
Cash & cash equiv.	\$ 522,000	\$ 432,000
Other securities	375,000	374,000
Accts. receiv., net	1,727,000	1,615,000
* Inventories	1,831,000	1,770,000
Other curr. assets	286,000	252,000
Current Assets	\$ 4,741,000	\$ 4,343,000
Investments	720,000	586,000
* Fixed assets	3,073,000	2,932,000
Other assets	388,000	365,000
Total Assets	\$ 8,922,000	\$ 8,226,000

Liabilities (000's)

	1988	1987
Short-term debt	\$ 347,000	\$ 264,000
Accts. payable	572,000	586,000
Accrued payroll	295,000	284,000
Income taxes	299,000	277,000
Other curr. liabilities	858,000	693,000
Curr. Liabilities	\$ 2,371,000	\$ 2,104,000
Long-term debt	408,000	435,000
Deferred inc. taxes	264,000	312,000
Other liabilities	367,000	315,000
+ Common stock	296,000	296,000
Retained earnings	5,841,000	5,195,000
Treasury stock†	(548,000)	(383,000)
Cum. translation adjust.	(55,000)	(48,000)
Total Liabilities & Shareholders' Equity	\$ 8,922,000	\$ 8,226,000

* At lower of cost (FIFO) or market.
† Less accumulated depreciation.

+ No par value.

Statistical Summary

% Income before Taxes to Sales	17.79	16.40
% Net Income to Sales	10.91	9.74
% Net Income to Equity	20.93	18.14
Debt to Equity	0.14	0.14
Working Capital	\$ 2,370,000,000	\$ 2,298,000,000
Current Ratio	2.00	2.19
Shareholders' Equity	\$ 5,514,000,000	\$ 5,060,000,000

Mohammad Farooq Textile Mills Ltd.

Finlay House

11, Chundrigar Road
P.O. Box 4628
Karachi, Pakistan

Directors: Mariam A.K. Sumar, chairperson; Mohammad Farooq Sumar, chief executive; Ghulam Ahmed Tirmail, Mian Tariq Sayeed Saigol, Mohammad Mukhtar Sumar, Shahid Ghaffar, Sabiha Sumar, A. M. Peerbhoy, secretary.

Business Activities: The Company is engaged in the spinning and weaving of yarn.

Plant Location: Karachi, Pakistan.

Stock Exchange(s): Karachi, Pakistan.

Sales & Earnings

	Net Sales	Net Income
1987	Rs 269,061,000	Rs 21,108,000
1986	218,015,000	8,416,000
1985	202,728,000	7,562,000
1984	192,299,000	19,000
1983	178,411,000	3,283,000

	No. of Com. Shares	Earn. per Share
1987	4,375,800	Rs 4.82
1986	1,683,000	5.00

Rs - Pak. rupees.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	Rs 1.00	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	Rs 100,789,000	Rs 23.03
1986	46,863,000	27.84

Income Account * (000's)

Year ended Sept. 30	1987	1986
Net sales	Rs 269,061	Rs 218,015
Cost of sales	209,295	179,079
Expenses:		
Administrative	8,446	8,011
Sell. & distr.	10,105	6,201
Financial	10,077	12,431
Other income	(1,043)	(356)
Prior years' adjust.	(1,091)	—
Profit-sharing fund	1,664	663
Income before taxes	Rs 31,608	Rs 12,016
Income taxes	9,825	3,350
Welfare fund	675	250
Net Income	Rs 21,108	Rs 8,416

* Included in Costs and Expenses, Depreciation: Rs 6,854,000 in 1987 and Rs 7,484,000 in 1986.

	Assets (000's)	1987	1986
As of Sept. 30			
Cash	Rs	28,476	12
Short-term prepayments		1,106	479
Short-term deposit		4,377	2,055
Accts. receiv., net		16,009	13,982
* Stocks		37,667	41,099
Stores & spares		13,598	11,420
Current Assets	Rs	101,233	69,047

Deposits, prepayments & def. costs	1,571	1,821
Capital work-in-progress	12,094	727
Fixed assets	62,099	65,885
Total Assets	Rs 176,997	Rs 137,480

Liabilities (000's)

Export refinance loan	Rs 11,500	Rs 7,000
Running finances	—	17,234
Profit-sharing funds	2,213	1,263
Unsettled excise duty	6,957	6,957
Accts. payable & accruals	20,485	26,096
Income taxes	3,029	(1,116)
Welfare fund	815	280
Other current liabilities	322	307
Proposed dividend	4,276	—

Current Liabilities	Rs 49,697	Rs 58,001
Long-term debt	26,511	32,616
Common stock:		
Ordinary shares	34,629	12,750
Bonus shares	9,129	4,080
Add. paid-in capital	15,315	—
Cap. reserve General		
reserve	33,375	23,375
Bonus shares issue	4,376	5,049
Unappropriated profit	3,965	1,609
Total Liabilities & Shareholders' Equity	Rs 176,997	Rs 137,480

* At lower of average cost and net realizable value.

† Less accumulated depreciation.

‡ Rs 10 par value.

Statistical Summary

% Income bef. Taxes		
to Sales	11.75	5.51
% Net Income to Sales	7.85	3.86
% Net Income to Equity	20.94	17.96
Sales to Inventories	7.14	5.30
Debt to Equity	0.38	0.85
Working Capital	Rs 51,536,000	Rs 11,046,000
Current Ratio	2.04	1.19
Shareholders' Equity	Rs 100,789,000	Rs 46,863,000

Mohasco Corporation

4401 Fair Lakes Court
Fairfax, Virginia 22033
(703) 968-8000

Officers: Charles M. Egan, exec. v.p.-furniture operations; Robert W. Overholzer, v.p.-finance, controller & chief financial officer; Joseph P. Lamb, v.p.-human resources; John Sganga, v.p.-planning operations; Albert F. Smith, treasurer; Joseph P. Flanagan, secretary and gen. counsel.

Directors: Bruce C. Bruckmann, Thomas C. Foley, Anthony C. Howkins.

Business Activities: Engaged in the interior furnishings industry, with broad interests in carpeting, furniture, distribution and furniture rentals. Its products include: carpets by Alexander Smith, Firth and Mohawk; furniture by Barcalounger, Chromcraft, Avon, Monarch, Peters Revington, Stratford, Stratolounger, Super Sagless and Trend Line.

Carpet Trademarks and/or Brand Names: Alexander Smith, Mohawk, Firth, Mohasco.

Carpet Plant Location(s): Dillon, Liberty & Bennettsville, S.C.; Dublin, Ga.

Divisions and Subsidiaries

Carpet Operations:

Mohawk Carpet Corporation*

*Sold by the Company on December 31, 1988.

Furniture Operations:

Chromcraft Corporation
Senatobia, Mississippi

Mohasco Upholstered Furniture Corporation
New Albany, Mississippi

Peters Revington Corporation
Delphi, Indiana

Super Sagless Corporation
Tupelo, Mississippi

Rental Operations:

Cort Furniture Rental Corporation*
Fairfax, Virginia

*Sold by the Company on December 31, 1988.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street, 8th Floor
New York, New York 10001

Stock Exchange(s): New York, Pacific

Ticker Symbol: MOH

Sales & Earnings x

	Net Sales + (000's)	Net Income (000's)
12/31/88*	\$ 209,500	\$ (30,200)
7/2/88*	199,800	12,100
12/31/87	413,800	12,700
12/31/86	376,900	15,800
12/31/85	368,200	17,100

	No. of Com. Shares ‡	Earn. per Share ‡
12/31/88*	13,405,288	\$ —
7/2/88*	—	0.90
12/31/87	13,385,825	0.92
12/31/86	13,825,613	1.15
12/31/85	13,640,963	1.16

(Loss)

* 26 weeks.

x The company was reorganized as of July 3, 1988, therefore the income statements for 1988 have been divided into 26 week periods to reflect this.

+ Includes other revenues, of continuing operations only.

‡ Adjusted to reflect stock splits.

‡ Based on the average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
12/31/88	\$ —	—	—
7/2/88	0.14	—	—
12/31/87	0.26	—	3-for-2
12/31/86	0.22 2/3	—	3-for-2
12/31/85	0.19 1/2	—	—

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
12/31/88	\$ (13,627,000)	\$ —
7/2/88	238,980,000	—
12/31/87	229,000,000	17.11
12/31/86	226,600,000	16.38
12/31/85	212,900,000	15.58

(Deficiency)

‡ Adjusted to reflect stock splits.

Mohasco Corporation

Income Account *

Year ended	12/31/88 (26 weeks)	7/2/88 (26 weeks)
Net sales & other revenues	\$ 209,520	\$ 199,785
Cost of sales	170,228	155,905
Expenses	35,771	36,020
Oper. profit	\$ 3,521	\$ 7,860
Interest expense	22,710	238
Other expense (income)	678	(256)
Nonrecurr. trans. costs	24,616	—
Inc. (loss) bef. taxes	\$ (44,483)	\$ 4,878
Income taxes (credit)	(14,689)	3,151
Inc. (loss)-discont. oper.	\$ (29,794)	\$ 4,727
Inc. (loss)-discont. oper.	(424)	7,400
Net Income (Loss)	\$ (30,218)	\$ 12,127

* Included in Costs and Expenses, Depreciation and Amortization: \$13,826,000 in the period ending 7/31/88 and \$10,663,000 in the period ending 7/2/88.

Assets (000's)

As of Dec. 31	1988	1987
Cash & cash equiv.	\$ 105,696	\$ 2,301
Accts. & notes receiv., net	81,072	113,341
Inventory	53,473	79,426
Prepaid expenses	4,159	17,067
Rental furniture	—	11,359
Current Assets	\$ 244,400	\$ 223,494
Rental furniture	—	45,588
# Fixed assets	86,218	98,712
Notes receiv.	147,700	—
Pension plan assets in exc. of oblig.	16,995	—
Other assets	72,927	3,490
Total Assets	\$ 568,240	\$ 371,284

Liabilities (000's)

Notes payable	\$ —	\$ 7,800
Long-term debt, curr.	30,358	4,230
Accts. payable	31,739	38,354
Accruals	40,654	26,613
Income taxes	1,743	5,281
Curr. Liabilities	\$ 104,494	\$ 82,278
Long-term debt	473,399	38,166
Other liabilities	1,373	8,281
Deferred inc. taxes	1,835	12,752
+ Redeem. pref. stock:		
3 1/2% series	228	252
4.20% series	538	544
+ Common stock	67,026	80,199
Add. paid-in capital	—	58
Retained earnings (deficit)	(30,367)	182,414
Treasury stock	—	(33,660)
Exc. par value adjust.	(50,286)	—
Total Liabilities & Shareholders' Equity	\$ 568,240	\$ 371,284

* At lower of cost (LIFO) or market.
Less accumulated depreciation and amortization.
+ \$100 par value; cumulative.
++ \$5 par value.

Statistical Summary

Sales to Inventories	3.92	—
Working Capital	\$136,906,000	\$ 141,216,000
Current Ratio	2.34	2.72
Shareholders' Equity (Deficiency)	\$ (13,627,000)	\$ 229,011,000*

* As of 12/31/87.

Monsanto Company

800 N. Lindbergh Boulevard
St. Louis, Missouri 63167
(314) 694-1000

Officers: Richard J. Mahoney, chairman & chief executive officer; Earle H. Harbison, Jr., president & chief operating officer; Nicholas L. Reding, exec. v.p.; Robert L. Berra, sr. vice president; Howard A. Schneiderman, sr. vice president; Harold J. Corbett, sr. vice president; Francis A. Stroble, sr. v.p. & chief financial officer; Earl N. Brasfield, vice president; Robert G. Potter, group vice president; Richard W. Duesenberg, sr. v.p., secretary & general counsel; Leonard A. Cohn, vice president; S. Allen Heininger, vice president; Martin J. Kallen, vice president; Richard A. Overton, vice president; David L. Sliney, vice president; Thomas H. Lafferre, vice president; James H. Senger, vice president; Lawrence B. Skatoff, v.p.-finance; B. Clare Harris, v.p. & controller; Juanita H. Hinshaw, v.p. & treasurer; A. Nicholas Filippello, Philip Needleman, Virginia V. Weldon.

Directors: Richard J. Mahoney*, chairman; John W. Hanley*, Donald C. Carroll, C.R. Dahl, Richard I. Fricke, Stansfield Turner, Howard M. Love, Buck Mickel, John B. Slaughter, Joan T. Bok, Earle H. Harbison, Jr., John S. Reed, William D. Ruckelshaus, Marguerite R. Barnett, Robert M. Heyssel, Richard W. Duesenberg.

* Member of the Executive Committee

Business Activities: Engaged in the worldwide manufacture and sale of a diversified line of chemical and agricultural products, prescription pharmaceuticals, low-calorie sweeteners, industrial process control equipment, man-made fibers, plastics and electronic materials. Textile products include nylon staple fibers for carpets, Acrilan acrylic fibers used in the manufacture of socks, sweatsuits, upholstery, craft yarn and sweaters, and nylon filament with a variety of industrial and carpet end uses.

Textile Trademarks and/or Brand Names: A-Acrilan, Acrilan, AstroTurf, Bi-Loft, Cerex, Chemstrand, Elura, SEF, Pa-Quel, So-Lara, Fi-Lana, Ultron, Wear-Dated, Remember.

Operating Units:

Monsanto Agricultural Company
Monsanto Chemicals Company
Monsanto Electronic Materials Company
Fisher Controls International, Inc.
G.D. Searle & Co.
The NutraSweet Company

Subsidiaries & Affiliates:

Hybritech Seed International Inc.
Basic genetic research to produce hybridized wheat.
Monsanto Enviro-Chem Systems, Inc.
Develops and markets engineered chemical facilities and pollution abatement systems.
Monsanto International Finance Company
Obtains funds abroad to help finance overseas expansion.

Monsanto Research Corporation
Conducts research for government agencies and for Monsanto; produces nuclear sources; operates a government-owned laboratory.

Monsanto Canada Ltd.
Manufactures chemicals and plastics.

Monsanto Argentina S.A.I.C.
Manufactures plastics and chemicals.

Industrias Resistol S.A. Mexico (39% interest)
Produces chemicals and plastics.

Monsanto Europe S.A. - Belgium
Manufactures plastics and chemicals in Belgium and conducts marketing activities throughout Europe.

Monsanto do Brasil S.A. - Brazil
Manufactures rubber chemicals and phosphates and process control equipment.

Societe Monsanto S.A. - France
Manufactures plastics.

Monsanto (Swiss) S.A.
Markets Monsanto products throughout Switzerland.

Monsanto (Deutschland) GmbH - West Germany
Markets Monsanto products.

Monsanto Australia Ltd.
Manufactures chemicals and plastics. Affiliate companies produce fluorocarbons and Styrene monomer, synthetic latex products.

Mitsubishi Monsanto Chemical Company-Japan (49% interest)
Manufactures chemicals and plastics.

Monsanto Electronics Sandirian Berhad Malaysia
Silicon slicing and polishing.

Korag Company Limited (50% interest)
Manufactures agricultural chemicals.

Transfer Agent(s):

The First National Bank of Boston
Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York, Amsterdam, Brussels, Frankfurt, Geneva, London, Paris, Zurich

Ticker Symbol: MTC

Sales & Earnings

	Net Sales (000's)	Net Income ‡ (000's)
1988	\$ 8,293,000	\$ 591,000
1987	7,639,000	436,000
1986	6,879,000	433,000
1985	6,747,000	(98,000)
1984	6,691,000	439,000

	No. of Com. Shares †	Earn. per Share ‡
1988	68,832,180	\$ 8.27
1987	74,097,517	5.63
1986	77,659,089	5.55
1985	76,752,553	—
1984	78,281,026	5.42

(Loss)

‡ Including extraordinary gain of \$30,000,000 (\$0.40 per share) in 1985.

† Adjusted to reflect stock split.

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business (000's)

	1988	1987
Agricultural products	\$ 1,546,000	\$ 1,305,000
Chemicals	3,989,000	3,858,000
Electronic materials	209,000	185,000
Fisher controls	840,000	749,000
NutraSweet	736,000	722,000
Pharmaceuticals	973,000	820,000
Total	\$ 8,293,000	\$ 7,639,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	\$ 2.95	—	—
1987	2.75	—	—
1986	2.575	—	—
1985	2.45	—	—
1984	2.25	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share †
1988	\$ 3,800,000	\$ 55.21
1987	3,901,000	52.65
1986	3,781,000	48.69
1985	3,407,000	44.39
1984	3,634,000	46.42

† Adjusted to reflect stock split.

Income Account*
(000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 8,293,000	\$ 7,639,000
Cost of sales	4,972,000	4,755,000
Expenses:		
Marketing	1,013,000	918,000
Administrative	474,000	424,000
Technological	648,000	615,000
Amort. of intangibles	231,000	225,000
Restructuring income	—	(32,000)
Oper. income	\$ 955,000	\$ 734,000
Interest expense	174,000	172,000
Interest income	(46,000)	(42,000)
Other income	(66,000)	(69,000)
Inc. bef. taxes	\$ 893,000	\$ 673,000
Income taxes	302,000	237,000
Net Income	\$ 591,000	\$ 436,000

* Included in Costs and Expenses, Depreciation and Amortization: \$703,000,000 in 1988 and \$679,000,000 in 1987.

Assets
(000's)

As of Dec. 31	1988	1987
Cash & cash equiv.	\$ 203,000	\$ 180,000
Marketable securities	18,000	43,000
Receiv., net	1,518,000	1,534,000
Def. inc. tax benefit	188,000	165,000
*Inventories	1,170,000	1,081,000
Current Assets	\$ 3,097,000	\$ 3,003,000
Investments in affil.	205,000	240,000
#Fixed assets	3,146,000	3,076,000
Intangibles	1,790,000	1,953,000
Other assets	223,000	183,000
Total Assets	\$ 8,461,000	\$ 8,455,000

Liabilities
(000's)

Accounts payable	\$ 545,000	\$ 485,000
Wages & commissions	208,000	175,000
Income & other taxes	124,000	101,000
Misc. accruals	547,000	500,000
Short-term debt	556,000	539,000
Curr. Liabilities	\$ 1,980,000	\$ 1,800,000
Long-term debt	1,408,000	1,564,000
Other liabilities	685,000	606,000
Deferred inc. taxes	588,000	584,000
+Common stock	164,000	164,000
Add. paid-in capital	874,000	872,000
Accum. curr. adj.	32,000	100,000
Retained earnings	3,662,000	3,282,000
Treasury stock	(952,000)	(517,000)
Total Liabilities & Shareholders' Equity	\$ 8,461,000	\$ 8,455,000

* At lower of cost (LIFO & FIFO) or market.

Less accumulated depreciation and depletion, etc.

+ \$2 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.52	8.81
%Net Income to Sales	7.13	5.71
%Net Income to Equity	15.55	11.18
Sales to Inventories	7.09	7.07
Debt to Equity	0.52	0.54
Working Capital	\$ 1,117,000,000	\$ 1,203,000,000
Current Ratio	1.56	1.67
Shareholders' Equity	\$ 3,800,000,000	\$ 3,901,000,000

Moonlite (Pak) Limited

725, Stock Exchange Building
Stock Exchange Road
Karachi, Pakistan
223037-8-9

Directors: Ahmed H.A. Dada, chairman, Umer H. Ismail, chief executive; Tar H. Ismail, Abdul Aziz T. Ismail, Ashraf T. Ismail, Sohail Umer, A.K.M. Sayeed, Muhammad Munawar.

Business Activities: Manufactures wollen yarn, acrylic tufted blankets, synthetic tufted carpets and allied cotton and synthetic tufted products.

Plant Location(s): Karachi, Pakistan.

Subsidiary:

Moonlite Export Import Limited London (U.K.)

Stock Exchange(s): Karachi, Pakistan

Sales & Earnings

	Net Sales	Net Income
1988	Ra 152,574,386	Ra 1,713,411
1987	124,130,076	2,529,547
1986	106,722,306	(2,002,372)

	No. of Com. Shares	Earn. per Share
1988	12,340,500	Ra 0.19
1987	8,227,000	0.07
1986	8,227,000	—

(Loss)

Rs - Pak. rupees.

Common Stock Equity

	Total Equity	Equity Per Share
1988	Ra 13,897,699	Ra 1.13
1987	13,964,483	1.70
1986	7,392,316	0.90

Income Account *

Year ended June 30	1988	1987
Net sales	Ra 152,574,386	Ra 124,130,076
Cost of sales	129,558,963	105,920,026
Processing receipts	(1,211,642)	(1,119,945)
Expenses:		
Adm. & gen.	4,041,660	3,387,002
Sell. & distr.	2,034,971	2,058,790
Financial	16,590,587	11,851,122
Other income	(109,123)	(104,130)
Workers' profit-sharing	83,154	116,620
Workers' welfare	91,334	70,439
Income before taxes	Ra 1,514,282	Ra 2,150,152
Interest	—	(408,486)
Income taxes (credit)	(199,129)	29,091
Net Income	Ra 1,713,411	Ra 2,529,547

* Included in Costs and Expenses, Depreciation: Rs5,091,692 in 1988 and Rs2,544,603 in 1987.

Assets

As of June 30

	Ra	Ra
Cash	351,357	263,635
Loans, advances & deposits	9,162,120	5,833,454
Accts. receiv., net	27,585,028	23,585,331
*Stocks	81,620,487	51,922,136
Spares & loose tools	1,919,396	1,808,019
Current Assets	Ra 120,638,388	Ra 83,412,575
Investments	76,922	76,922
Loans & advances	825,236	720,102
Deposits	122,765	122,765
#Fixed assets	45,156,782	46,302,031
Total Assets	R166,820,093	R130,614,395

Liabilities

	Ra	Ra
Short-term debt	74,046,767	49,663,322
Long-term debt, curr.	6,059,681	4,959,522
Accts. payable	21,712,920	13,520,694
Accruals	3,088,815	2,314,178
Accrued interest	7,925,389	5,549,584
Exch. risk fee pay.	48,484	59,896
Custom duty pay.	4,782,146	2,577,577
Profit-sharing fund	83,154	116,620
Welfare fund	54,406	70,439
Unclaimed dividend	62,415	48,804
Other current liabilities	26,620	17,403
Proposed dividend	617,025	—
Curr. Liabilities	Ra 118,507,822	Ra 78,898,039
Long-term debt	28,203,539	32,078,358
Deferred gratuity	3,911,033	3,373,515
Deferred inc. taxes	2,300,000	2,300,000
+ Common stock	12,340,500	8,227,000
Reserves	1,500,000	1,100,000
Unappropriated profit	57,199	594,863
Right shares subscrip.	—	4,042,620
Total Liabilities & Shareholders' Equity	Ra 166,820,093	Ra 130,614,395

* At lower of cost and net realizable value.

Less accumulated depreciation.

+ Ra10 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.99	1.73
%Net Income to Sales	1.12	2.04
%Net Income to Equity	12.33	18.11
Sales to Inventories	1.87	2.39
Debt to Equity	7.79	6.21
Working Capital	Ra 2,130,566	Ra 5,514,536
Current Ratio	1.02	1.06
Shareholders' Equity	Ra 13,897,699	Ra 13,964,483

Munsingwear, Inc.

724 North First Street
Minneapolis, Minnesota 55401
(612) 340-1100

Officers: Lawrence L. Horsch, chairman & chief exec. officer; Thomas T. Brumm, sr. v.p.-planning & analysis; Thomas J. Ahmann, v.p.-finance, administration & law and secretary; Charles J. Campbell, v.p. & president-Men's Division; Mary Kay Edwards, v.p. & president-Vassarette Division; Paul S. Haskell, v.p. & president-LeRoi Princeton Division; Gary R. Kimmel, v.p. & president-Form-O-Uth Division; Allen Spector, president-Shirtmate Apparel Group Ltd.; Gerald E. Magnuson, asst. secretary.

Directors: Lawrence L. Horsch, chairman; Gerald E. Magnuson, Sandra W. Meyer, William L. Garrity, Thomas E. Holloran.

Business Activities: Engaged in the production and sale of loungewear, sleepwear, underwear and sportswear for men, women, and children.

Munsingwear, Inc.

Trademarks and/or Brand Names: Munsingwear, Vassarette, Grand Slam, Penguin, Penguin Design, Forge, Munsingwear Slammers, Cotton Classics, Quintessence, Satin Kiss, CuddleSoft, Elustra, Sheet Beginnings, Frankly Feminine, Secret Self, Band-Abouts, Satinessence, Kangaroo, For You the Contemporary Vassarette, Translucence, Underneath It All, Crepelon, Swimobodies, Second Glance, Velvelour, The Feelbetter Fit, Match, Sweet Baby Jane, Como Diffusion, Le Roi, The Northwestern Knitting Company, Sensuette, Barclings, Fred David, Quelque Chose, Oblique, Balthazar.

Plant Locations: Memphis, Tenn.; Athens & McAllen, Tex.; Guin & Hamilton, Ala.; Minneapolis, Minn.; Hominy, Okla.; Ashland, Wis.; Fairmont & Red Springs, N.C.; Cadiz & Princeton, Ky.; Bell Buckle & Murfreesboro, Tenn.; Montreal, Canada; Matchuala, La Paz & Reynosa, Mexico; San Salvador, El Salvador.

Divisions and Subsidiaries

Vassarette Division
Memphis, Tennessee

Products include lingerie, sleepwear, robes, loungewear, bras, girdles, swimsuits and Vassarette juniors.

Men's Apparel Division
Minneapolis, Minnesota

Products include underwear, sleepwear, loungewear, robes, golf shirts, sport shirts, hosiery, jackets, slacks, tenniswear and sweaters.

Outlet Store Division
Minneapolis, Minnesota

Operates 16 retail outlet stores throughout the U.S. These stores primarily sell overstocked and irregular merchandise.

Form-O-Uth, Inc.
McAllen, Texas

Manufactures private label women's intimate apparel as well as women's swimwear and bodywear.

Shirtmate Apparel Group Ltd.
Montreal, Canada

Designs, manufactures and distributes women's junior sportswear and contemporary clothing.

LeRoi Princeton Division
Princeton, Kentucky

Designs, manufactures and distributes children's hosiery, sleepwear and footwear under the Le Roi label.

Transfer Agent(s):

Continental Bank N.A.
P.O. Box 2900
Loop Station
Minneapolis, Minnesota 55402

Stock Exchange(s): New York

Ticker Symbol: MUN

Sales & Earnings x

	Net Sales +	Net Income ‡
1988	\$ 171,681,000	\$ (13,120,000)
1987	198,427,000	(22,696,000)
1986	147,851,000	3,454,000
1985	114,247,000	3,382,000
1984	92,645,000	3,893,000

	No. of Com. Shares †	Earn. per Share ‡ #
1988	4,876,258	\$ —
1987	4,876,258	—
1986	4,794,590	0.74
1985	3,854,229	0.83
1984	3,800,316	0.68

(Loss)

x Restated to reflect change in accounting method.

+ Of continuing operations only.

‡ Including extraordinary gains of \$681,000 (\$0.14 per share) in 1986, \$693,000 (\$0.17 per share) in 1984 and \$3,842,000 (\$0.67 per share) in 1983.

† Adjusted to reflect stock splits.

Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	—
1986	—	—	3-for-2
1985	—	—	2-for-1

Common Stock Equity x

	Total Equity	Equity Per Share ‡
1988	\$ 14,723,000	\$ 3.02
1987	31,124,000	6.38
1986	52,766,000	11.01
1985	38,897,000	10.10
1984	35,315,000	9.29

x Restated.

‡ Adjusted to reflect stock splits.

Income Account* (000's)

Year ended	1/7/89	1/2/88‡
Net sales	\$ 171,681	\$ 198,427
Cost of sales	133,904	162,833
Expenses	47,214	53,022
Royalty income	(642)	(791)
Interest expense	5,763	4,693
Gain on sale of trademarks	(3,250)	—
Loss on consolidation	1,645	1,383
Other expense (income)	(391)	96
Loss before taxes	\$ (12,562)	\$ (22,809)
Income taxes (credit)	558	(113)
Net Loss	\$ (13,120)	\$ (22,696)

‡ Restated.

* Included in Costs and Expenses, Depreciation and Amortization: \$2,857,000 in 1988 and \$3,477,000 in 1987.

Assets (000's)

As of	1/7/89	1/2/88‡
Cash	\$ 1,319	\$ 1,349
Receiv., net	20,481	23,172
*Inventories	36,983	42,091
Prepaid expenses	2,136	2,119
Current Assets	\$ 60,919	\$ 68,731
#Fixed assets	11,638	17,341
Other assets	16,134	16,582
Total Assets	\$ 88,691	\$ 102,654

Liabilities (000's)

Short-term borrowings	\$ 15,904	\$ 14,130
Long-term debt, curr.	2,038	2,063
Accts. payable	7,591	7,783
Accrued payroll	4,449	4,303
Income taxes pay.	76	214
Due under share value guar.	2,338	—
Other accruals	3,811	2,939
Curr. Liabilities	\$ 36,207	\$ 31,432
Long-term debt	36,738	38,075
Deferred income	1,023	2,023
+Common stock	6,746	6,746
Add. paid-in capital	21,646	25,459
Retained earnings (deficit)	(8,776)	4,344
For. curr. trans. adj.	1,052	520
Treasury stock	(5,945)	(5,945)
Total Liabilities & Shareholders' Equity	\$ 88,691	\$ 102,654

‡ Restated.

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

Sales to Inventories	4.64	4.71
Debt to Equity	3.71	1.74
Working Capital	\$ 24,712,000	\$ 37,299,000
Current Ratio	1.68	2.19
Shareholders' Equity	\$ 14,723,000	\$ 31,124,000

Nantucket Industries, Inc.

105 Madison Avenue
New York, New York 10016
(212) 889-5656

Officers: George J. Gold, chairman of the board, chief executive officer & treasurer; Donald D. Gold, president & secretary; Theresa M. Bohnenberger, v.p.-production; Drew F. Wofford, v.p.-operations; Stephen P. Sussman, v.p.-finance.

Directors: George J. Gold, chairman; Donald D. Gold, Philip A. Gold, Theresa M. Bohnenberger, Drew Wofford, Robert M. Rosen, Lawrence H. Bober, Steven Samberg.

Business Activities: Manufactures and markets men's and women's popular priced fashion undergarments. Also markets women's socks.

Trademarks and/or Brand Names: Nantucket, Brut*, Brut 33*, Hot Sox, Britania, Nintendo*, Seem Free.
*Under licensing agreement.

Plant Location(s):

Cartersville, Georgia.

Transfer Agent(s):

State Street Bank and Trust Company
Boston, Massachusetts

Stock Exchange(s): American

Ticker Symbol: NAN

Sales & Earnings

	Net Sales †	Net Income ‡
1989	\$ 34,531,000	\$ 2,103,000
1988	29,368,000	(1,127,000)
1987	25,029,000	(1,695,302)
1986	23,372,000	1,890,490
1985	17,631,000	1,308,833

	No. of Com. Shares †	Earn. per Share ‡ #
1989	2,438,585	\$ 0.81
1988	2,651,135	—
1987	2,653,435	—
1986	2,717,995	0.69
1985	2,755,444	0.47

(Loss)

† Of continuing operations only.

‡ Including extraordinary gain of \$257,000 (\$0.10 per share) in 1988.

+ Adjusted to reflect stock dividend.

Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	15%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1989	\$ 11,222,257	\$ 4.60
1988	10,455,479	3.94
1987	11,597,602	4.37
1986	13,742,058	5.06
1985	12,152,232	4.41

+ Adjusted to reflect stock dividend.

Income Account *

Year ended	2/25/89	2/27/88
Net sales	\$ 34,530,662	\$ 29,367,539
Cost of sales	26,682,502	23,822,078
Expenses	5,957,988	5,018,278
Interest expense	132,815	454,806
Takeover defense costs	704,740	—
Income bef. taxes	\$ 1,052,617	\$ 72,377
Income taxes	489,000	38,000
Inc.-cont. oper.	\$ 563,617	\$ 34,377
Inc. (loss)-discont. oper.	1,282,713	(1,161,347)
Net Income (Loss)	\$ 1,846,330	\$ (1,126,970)
Extraord. gain	257,000	—
Net Income (Loss) & extraord. gain	\$ 2,103,330	\$ (1,126,970)

* Included in Costs and Expenses, Depreciation and Amortization: \$178,466 in 1988 and \$157,502 in 1987.

Assets

As of	2/25/89	2/27/88
Cash	\$ 2,343,243	\$ 1,080,550
Accounts receiv., net	6,093,226	4,653,902
* Inventories	9,760,697	5,629,296
Refund. inc. taxes	105,931	1,332,971
Prepaid expenses & other assets	451,212	237,767
Net assets held for sale	—	17,591,565
Current Assets	\$ 18,754,309	\$ 30,526,051
# Fixed assets	1,709,826	1,441,061
Other assets	432,810	465,804
Total Assets	\$ 20,896,945	\$ 32,432,916

Liabilities

Long-term debt, curr.	\$ —	\$ 12,751,354
Accts. payable	2,930,928	2,197,878
Accrued payroll	515,106	622,065
Accruals	777,267	1,181,534
Curr. Liabilities	\$ 4,223,301	\$ 16,752,831
Long-term debt	4,950,000	3,900,000
Deferred inc. taxes	66,601	1,524,606
Other liabilities	434,786	—
+ Common stock	283,110	282,985
Add. paid-in capital	9,309,641	9,306,253
Retained earnings	4,020,285	1,916,955
Treasury stock	(2,390,779)	(1,050,714)
Total Liabilities & Shareholders' Equity	\$ 20,896,945	\$ 32,432,916

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$0.10 par value.

Statistical Summary

%Net Income to Equity	16.45	—
Sales to Inventories	3.54	5.22
Debt to Equity	0.44	1.59
Working Capital	\$ 14,531,008	\$ 13,773,220
Current Ratio	4.44	1.82
Shareholders' Equity	\$ 11,222,257	\$ 10,455,479

Nanyang Cotton Mill, Ltd.

1830 Swire House,
Hong Kong
5-224147

Directors: The Lord Kadoorie, chairman; Y. C. Wang, managing director; H. C. Yung, general manager; Lincoln Yung, Michael Wang, W. T. Grimdale.

Business Activities: Manufactures yarn, piecegoods, and a variety of garments. Also engages in textile trading.

Subsidiaries:

Commonwealth Garments Co. Ltd.

Hong Kong

Garment trading and manufacturing.

Peninsular Yarn & Fabric Merchandising Ltd.

Hong Kong

Textile trading.

Kamunting Garments Sdn. Bhd.

Malaysia

Garment manufacturing.

Island Dyeing & Printing Co. Ltd. (30% interest)

Hong Kong

Dyeing and printing.

Southern Textile Co. Ltd. (45% interest)

Shenzhen

Spinning.

Sampaguita Garment Corporation (40% interest)

The Philippines

Garment manufacturing.

Diamensfield Ltd. (40% interest)

Hong Kong

Garment trading.

Registrar and Transfer Office:

Registered Office (Hong Kong) Ltd.

803, Wing On Centre

111 Connaught Road Central,

Hong Kong

Stock Exchange(s): Hong Kong

Sales & Earnings x

1986	\$ 230,793,000	\$ 35,805,000
1985	201,691,000	17,427,000
	No. of Com. Shares	Earn. per Share
1986	2,500,000	\$ 14.32
1985	2,500,000	6.97

x All figures stated in Hong Kong dollars.

Revenues by Line of Business

	1986	1985
Textile trading	\$ 160,170,000	N.A.
Garment trading & mfg.	46,580,000	N.A.
Property investment	6,557,000	N.A.
Investment holding	17,486,000	N.A.
Total	\$ 230,793,000	N.A.

N.A. - Not Available.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	\$ 17.00	—	—
1985	4.00	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1986	\$ 315,937,000	\$ 126.37
1985	323,008,000	129.20

Income Account
(000's)

Year ended Dec. 31	1986	1985
Net sales	\$ 230,793	\$ 201,691
Cost of sales & expenses	187,198	183,690
Depreciation	10,058	10,057
Directors' expenses	8,708	6,365
Auditors' expenses	390	379
Interest expense	3,984	3,900
Loss (gain) or dispos.	1,517	(76)
Provident fund	4,093	—
Prov. for decrease in value of secur.	2,480	363
Rental income	(2,098)	(2,011)
Dividend income	(1,473)	(6,724)
Interest income	(5,782)	(5,852)
Exch. gain	(6,051)	(4,016)
Profit on sale of invest.	(11,230)	(3,531)
Income before taxes	\$ 39,019	\$ 19,147
Income taxes	3,214	2,102
Minority interest	—	(382)
Net Income	\$ 35,805	\$ 17,427

Assets
(000's)

As of Dec. 31	1986	1985
Cash	\$ 51,354	\$ 43,134
Short term-invest.	2,316	—
Marketable securities	95,922	69,660
Accts. receiv. net	41,689	26,548
*Inventories	24,014	24,253
Current Assets	\$ 215,295	\$ 163,595
Investments	6,529	15,186
Assoc. companies	33,418	36,260
#Fixed assets	100,250	104,789
Prop. under develop.	69,271	69,293
Intangibles	1,758	2,065
Total Assets	\$ 426,971	\$ 391,188

Liabilities
(000's)

Long-term debt, curr.	\$ 8,155	\$ 5,234
Accts. payable & accruals	38,661	22,763
Proposed dividend	37,500	10,000
Curr. Liabilities	\$ 84,316	\$ 37,997
Long-term debt	26,718	30,183
+Common stock	25,000	25,000
Reserves	—	—
Add.paid-in capital	290,937	298,008
Total Liabilities & Shareholders' Equity	\$ 426,971	\$ 391,188

* At lower of cost and net realizable value.

Less accumulated depreciation.

+ \$10 par value.

Statistical Summary

%Income bef. Taxes to Sales	16.91	9.49
%Net Income to Sales	15.51	8.64
%Net Income to Equity	11.33	5.40
Sales to Inventories	9.61	8.32
Debt to Equity	0.11	0.11
Working Capital	\$ 130,979,000	\$ 125,598,000
Current Ratio	2.55	4.31
Shareholders' Equity	\$ 315,937,000	\$ 323,008,000

National Service Industries, Inc.

National Service Industries, Inc.

1180 Peachtree Street, N.E.
Atlanta, Georgia 30309
(404) 892-2400

Officers: Erwin Zaban, chairman of the board; Sidney Kirschner, president & chief executive officer; Don W. Hubble, exec. v.p.; Robert H. Creviston, sr. v.p.-finance & treasurer; Henry R. Dressel, Jr., v.p.-taxes; David Levy, sr. v.p., secretary & counsel; John A. Bostater, controller; Herbert P. Bruce, v.p.-information services; Walter H. Buce, v.p.-insurance; S. Booker Carter, sr. asst. secretary & associate counsel; Robert J. Mello, v.p.-auditing; Helen D. Haines, asst. controller; Donald A. Hundley, asst. secretary-employee benefits; Carol Ellis Morgan, asst. secretary & asst. counsel; Kenyon W. Murphy, asst. secretary & asst. counsel; Richard M. Schmidt, asst. secretary-safety; William E. Stratton, asst. secretary-claims administration; Kenneth A. Speer, asst. treasurer-data processing operations; Gus Strausburger, asst. treasurer-systems development; Judy Wallace, asst. treasurer-investments; Margaret Sheffer, asst. treasurer-taxes; Richard M. Fiorillo, Jr., asst. treasurer-auditing.

Directors: Erwin Zaban, chairman; Robert H. Creviston, Jesse Hill, Jr., Robert M. Holder, Jr., Sidney Kirschner, Milton N. Weinstein, John L. Clendenin, David Levy, Ronald W. Allen, F. Ross Johnson, Donald R. Keough, John G. Medlin, Jr., Betty L. Siegel.

Business Activities: The Company's textile/apparel activities are conducted by the Men's Apparel Division, which manufactures popularly priced men's sportswear including knit and woven sport shirts, sweaters and jackets, usually under house labels.

Plant Locations: Wilmington & Benson, North Carolina; Santiago, Dominican Republic.

Trademarks and/or Brand Names: Chapel Hill, Boulevard, Sprint, PM, Kudos.

Textile and Apparel Divisions:

Block Sportswear
New York, New York

PM Company of New York
New York, New York

Transfer Agent(s):

Wachovia Bank and Trust Company, N.A.
Corporate Trust Department
P.O. Box 3001
Winston-Salem, North Carolina 27102
(919) 770-4994

Stock Exchange(s): New York

Ticker Symbol: NSI

Sales & Earnings

	Net Sales & Serv. Revs.	Net Income
1988	\$ 1,414,188,000	\$ 86,122,000
1987	1,326,858,000	75,690,000
1986	1,282,922,000	71,341,000
1985	1,191,205,000	67,661,000
1984	1,073,105,000	61,506,000

	No. of Com. Shares #	Earn. per Share \$
1988	49,258,000	1.75
1987	49,278,000	1.54
1986	49,280,000	1.45
1985	49,277,000	1.37
1983	49,263,000	1.12

Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues by Line of Business (000's)

	1988	1987
Lighting equip.	\$ 602,771	\$ 559,384
Textile rental	321,025	294,482
Chemical	200,009	183,614
Other	290,383	289,378
Total	\$ 1,414,188	\$ 1,326,858

Common Stock

	Cash Dividend \$	Stock Dividend #	Stock Split
1988	\$ 0.73	—	—
1987	0.62	—	—
1986	0.54	—	4-for-3
1985	0.49	—	—
1984	0.43	—	3-for-2

Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share #
1988	\$ 558,160,000	\$ 10.99
1987	508,219,000	10.12
1986	462,907,000	9.29
1985	417,958,000	8.39
1984	373,996,000	7.52

Adjusted to reflect stock splits.

Income Accountant * (000's)

Year ended Aug. 31	1988	1987
Net sales & serv. revs.	\$ 1,414,188	\$ 1,326,858
Cost of sales	921,176	849,708
Expenses	361,970	350,641
Intergroup expense	4,234	4,149
Other income	(6,414)	(10,030)
Income before taxes	\$ 133,222	\$ 132,390
Income taxes	47,100	56,700
Net Income	\$ 86,122	\$ 75,690

* Included in Costs and Expenses, Depreciation and Amortization: \$31,037,000 in 1988 and \$27,333,000 in 1987.

Assets (000's)

As at Aug. 31	1988	1987
Cash & short-term invest.	\$ 134,042	\$ 122,857
Accts. receiv., net	181,886	171,385
* Inventories	163,806	152,006
Liens in serv.	42,273	40,533
Prepayments	5,976	5,754
Prepaid income taxes	24,434	26,909
Current Assets	\$ 552,417	\$ 519,444
# Fixed assets	228,422	202,661
Goodwill & restric. covenants	16,618	9,758
Other assets	27,888	28,455
Total Assets	\$ 825,345	\$ 760,318

Liabilities (000's)

Long-term debt, curr.	\$ 1,237	\$ 1,443
Accts. payable	55,814	52,494
Accrued payroll	32,750	29,485
Other accruals	36,203	31,136
Curr. Liabilities	\$ 126,004	\$ 114,558

Tax benefit liab.	15,330	12,042
Long-term debt	21,391	21,466
Deferred inc. taxes	104,460	104,033
+ Common stock	57,919	57,919
Retained earnings	535,383	485,034
Treasury stock	(35,142)	(34,734)

Total Liabilities & Shareholders' Equity \$ 825,345 \$ 760,318

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.42	9.98
%Net Income to Sales	6.09	5.70
%Net Income to Equity	15.43	14.89
Sales to Inventories	8.63	8.73
Debt to Equity	0.04	0.05
Working Capital	\$ 426,413,000	\$ 404,886,000
Current Ratio	4.38	4.53
Shareholders' Equity	\$ 558,160,000	\$ 508,219,000

The New Harding Group Inc.

Registered Corporate Head Office:
85 Morrell Street
Brantford, Ontario N3T 4J6, Canada
(519) 756-5241

Executive Office:
20 Toronto Street
Toronto, Ontario M5C 2B8, Canada
(416) 365-1380

Officers: Gerard Collins, chairman, president & chief exec. officer; W. Grant Ballantyne, sr. v.p. & chief financial officer; Geoffrey P. Charnley, v.p., secretary & treasurer.

Directors: Michael H. Cochrane, Gerard H. Collins, Charles R. Pike, W. John Dixon, Graham Day.

Business Activities: Manufactures and distributes carpets in Canada for both residential and commercial use. Spins, heat-sets and processes a complete range of carpet yarns, as well as tufting, dyeing and finishing carpets at two manufacturing plants.

Textile Trademarks and/or Brand Names: Harding Carpets.

Plant Location(s): Brantford & Collingwood, Ontario.

Division:

Harding Carpets
85 Morrell Street
Brantford, Ontario N3T 4J6, Canada

Subsidiaries:

Continuous Colour Coat Limited (60% indirect interest)
1430 Martin Grove Road
Rexdale, Ontario M9W 4Y1, Canada
Applies protective and decorative coatings to metal coils for industrial customers.

Optex Corporation (64%-owned)
52 Lesmill Road
Don Mills, Ontario M3B 2T5, Canada
Wholesale distributor of photographic and video equipment, sporting goods, and radio-controlled model cars and trucks.

Transfer Agent(s):

Montreal Trust Company of Canada
Montreal, Toronto, Regina, Calgary and Vancouver, Canada

Stock Exchange(s): Toronto

Ticker Symbol: NHD.A and NHD.B

Sales & Earnings

	Net Sales	Net Income †
1988	\$ 273,976,000	\$ 3,326,000
1987	216,367,000	5,250,000
1986	120,733,000	5,088,000
1985	118,182,000	3,089,000
1984	96,287,000	540,000

	No. of Com. Shares ‡	Earn. per Share † +
1988	3,215,449	\$ 1.01
1987	3,425,981	1.54
1986	3,401,121	1.50
1985	3,401,121	0.91
1984	3,383,621	0.19

(Loss)

† Includes extraordinary gains of \$312,000 (\$0.09 per share) in 1987, \$1,500,000 (\$0.45 per share) in 1986, \$1,000,000 (\$0.29 per share) in 1985 and \$80,000 (\$0.03 per share) in 1984.

‡ Adjusted to reflect reverse stock split.

+ Based on the weighted monthly average number of shares outstanding adjusted to reflect reverse stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 0.40	—	—
1987	0.30	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 33,810,000	\$ 10.52
1987	33,614,000	9.81
1986	29,280,000	8.61
1985	24,192,000	7.11
1984	21,043,000	6.22

‡ Adjusted to reflect stock split.

Income Account *

Year ended Oct. 31	1988	1987
Net sales	\$ 273,976,000	\$ 216,367,000
Cost of sales	221,332,000	173,898,000
Expenses	35,445,000	24,963,000
Debiture interest	3,588,000	3,510,000
Other interest	4,851,000	2,689,000
Income before taxes	\$ 8,760,000	\$ 11,307,000
Income taxes	4,052,000	5,318,000
Minority interest	1,382,000	1,051,000
Net Income	\$ 3,326,000	\$ 4,938,000
Extraord. gain	—	312,000
Net Income & extraord. gain	\$ 3,326,000	\$ 5,250,000

* Included in Costs and Expenses, Depreciation and Amortization: \$3,324,000 in 1988 and \$2,547,000 in 1987.

Assets

As of Oct. 31	1988	1987
Accts. receiv., net	\$ 54,936,000	\$ 42,057,000
*Inventories	61,272,000	41,743,000
Prepaid expenses	3,195,000	3,369,000
Current Assets	\$ 119,403,000	\$ 87,169,000
*Fixed assets	41,783,000	36,139,000
Invest. in Optex Holdings	—	1,596,000
Other assets	12,948,000	9,531,000
Total Assets	\$ 174,134,000	\$ 134,435,000

Liabilities

Bank advance	\$ 43,588,000	\$ 13,017,000
Long-term debt, curr.	3,400,000	2,202,000
Accts. payable & accruals	39,687,000	37,577,000
Deferred inc. taxes	1,277,000	467,000
Curr. Liabilities	\$ 87,952,000	\$ 53,263,000
Long-term debt	36,695,000	36,271,000
Deferred income taxes	9,898,000	8,569,000
Minority interest	5,779,000	2,718,000
Capital stock:		
Subord. voting shares	6,410,000	7,054,000
Mult. voting shares	14,006,000	14,753,000
Retained earnings	13,394,000	11,807,000
Total Liabilities & Shareholders' Equity	\$ 174,134,000	\$ 134,435,000

* At lower of average cost and replacement cost or net realizable value.

Less accumulated depreciation.

Statistical Summary

%Income bef. Taxes to Sales	3.20	5.23
%Net Income to Sales	1.21	2.28
%Net Income to Equity	9.84	14.69
Sales to Inventories	4.47	5.18
Debt to Equity	1.19	1.14
Working Capital	\$ 31,451,000	\$ 33,906,000
Current Ratio	1.36	1.64
Shareholders' Equity	\$ 33,810,000	\$ 33,614,000

New Retail Concepts, Inc.

1407 Broadway, Suite 2809
New York, New York 10018
(212) 944-2220

Officers: Neil Cole, chairman, president & treasurer; Howard Frank, exec. v.p. & secretary; Gary Bader, president-Missy Division; Henry Boxer, president-Junior Division.

Directors: Neil Cole, chairman; Howard Frank, Kenneth Cole.

Business Activities: Markets clothing and accessories, primarily for young women, under the name "NO EXCUSES," through direct sales and license and sales arrangements with non-affiliated manufacturers.

Trademarks and/or Brand Names: NO EXCUSES.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NRCX (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1988	\$ 2,615,163	\$ (993,740)
1987	570,537	(713,408)
1986 ^a	172,072	(347,358)

	No. of Com. Shares +	Earn. per Share +
1988	42,734,018	\$ —
1987	23,977,378	—
1986 ^a	10,000,000	—

(Loss)

^a 11 months.

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1988	\$ 1,059,444	\$ 0.02
1987	1,005,717	0.04
1986	(263,236)	—

(Deficiency)

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year Ended Mar. 31	1988	1987
Net sales	\$ 2,615,163	\$ 570,537
Other income	77,071	—
Total income	\$ 2,692,234	\$ 570,537
Cost of sales	872,855	649,469
Expenses	2,808,396	632,119
Interest expense	42,679	23,703
Loss on abandonment of fixed assets	(41,028)	(17,349)
Gain on sale of market. sec.	6,167	—
Loss before taxes	(3,095)	(7,549)
Income taxes	(593,740)	(709,856)
Net Loss	\$ 2,669	\$ 3,552

* Included in Costs and Expenses, Depreciation and Amortization: \$53,354 in 1988 and \$16,990 in 1987.

Assets

As of Mar. 31	1988	1987
Cash	\$ 1,180,553	\$ 578,995
Marketable securities	—	545,200
Accts. receiv., net	467,578	226,227
Prepaid expenses	348,655	—
Loans receiv. - officer	143,280	—
Other curr. assets	113,891	25,652
Current Assets	\$ 2,253,957	\$ 1,376,074
*Fixed assets	176,146	51,696
Other assets	33,904	18,666
Total Assets	\$ 2,464,007	\$ 1,446,436

Liabilities

Loan payable - bank	\$ 400,000	\$ 300,000
Loan payable - K. Cole	—	—
Prod.	600,000	—
Long-term debt, curr.	15,146	—
Accts. payable & accruals	234,598	77,812
Consulting fees pay.	5,000	32,000
Income taxes	3,600	2,300
Other current liabilities	96,437	1,107
Current Liabilities	\$ 1,354,781	\$ 433,219
Long-term debt	49,782	—
Consulting fees pay.	—	5,000
Deferred income	—	2,500
+Common stock	4,438	3,919
Add. paid-in capital	2,703,763	2,054,146
Retained earnings (deficit)	(1,648,737)	(1,052,348)
Total Liabilities & Shareholders' Equity	\$ 2,464,007	\$ 1,446,436

Less accumulated depreciation and amortization.
+ \$0.0001 par value.

Statistical Summary

Debt to Equity	1.01	0.30
Working Capital	\$ 899,176	\$ 942,855
Current Ratio	1.66	3.18
Shareholders' Equity	\$ 1,059,444	\$ 1,005,717

NIKE, Inc.

NIKE, Inc.

3900 S.W. Murray Boulevard
Beaverton, Oregon 97005
(503) 641-6453

Officers: Philip H. Knight, chairman & chief executive officer; William J. Bowerman, deputy chairman & sr. v.p.; Delbert J. Hayes, exec. v.p.; Harry C. Carsh, vice president; Ronald E. Nelson, vice president; Jack L. Joyce, vice president; George E. Porter, v.p.-finance; Dale N. Wahl, treasurer; John E. Jaqua, secretary; Lindsay D. Stewart, asst. secretary & corp. counsel; A. Thomas Niebergall, asst. secretary; Douglas G. Houser, asst. secretary.

Directors: Philip H. Knight, chairman; William J. Bowerman, Jill K. Conway, Robert T. Davis, Richard K. Donahue, Delbert J. Hayes, Douglas C. Houser, John E. Jaqua, Thomas O. Paine, Charles W. Robinson.

Business Activities: Designs, develops and markets high-quality footwear and apparel products for a wide range of sport, athletic and leisure activities. Apparel products include tennis, running, bicycling and fitness wear, as well as athletic bags and accessory items, designed to complement the Company's footwear products.

Trademarks and/or Brand Names: NIKE, NIKE-Air, Air-Max, Swoosh, Air Stab, Cole Haan, Air Force III High, Air Play, Air Trainer, Air Elite, Son of Lava Dome, Lava High, Air Strike Supreme M, Air Jordan.

Subsidiary:

NIKE Canada Ltd.
2445 Canoe Avenue
Coquitlam, British Columbia V3K 6A9, Canada
Canada sales and marketing office.

Acquisition:

Cole Haan Holdings, Inc.
Designs and markets high-quality casual and dress footwear for men, women and children.

Transfer Agent(s):

United States National Bank of Oregon
309 S.W. 6th Avenue
Portland, Oregon 97204

Stock Exchange(s):

Over-the-Counter

Ticker Symbol: NIKE (NASDAQ)

Sales & Earnings

	Revenues	Net Income
1988	\$ 1,203,440,000	\$ 101,695,000
1987	877,357,000	35,879,000
1986	1,069,222,000	59,211,000
1985	946,371,000	10,270,000
1984	919,806,000	40,690,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	37,639,000	\$ 2.70
1987	38,393,000	0.93
1986	38,179,000	1.55
1985	37,893,000	0.27
1984	37,934,000	1.07

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business (000's)

	1988	1987
Footwear	\$ 757,500	\$ 510,000
Apparel	142,900	130,700
Athletic equipment	—	900
Foreign	303,000	235,800
Total	\$ 1,203,400	\$ 877,400

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 0.40	—	—
1987	0.40	—	—
1986	0.40	—	—
1985	0.40	—	—
1984	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 411,774,000	\$ 10.94
1987	338,017,000	8.80
1986	316,846,000	8.30
1985	271,668,000	7.17
1984	274,536,000	7.24

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account* (000's)

Year ended May 31	1988	1987
Revenues	\$ 1,203,440	\$ 877,357
Cost of sales	803,380	596,662
Expenses	246,583	204,742
Interest expense	8,004	8,475
Other income	(20,722)	(6,201)
Income before taxes	\$ 166,195	\$ 73,679
Income taxes	64,500	37,800
Net Income	\$ 101,695	\$ 35,879

* Included in Costs and Expenses, Depreciation: \$14,020,000 in 1988 and \$12,078,000 in 1987.

Assets (000's)

As of May 31	1988	1987
Cash and equiv.	\$ 75,357	\$ 126,867
Accts. receiv., net	258,393	184,459
*Inventories	198,470	120,863
Deferred inc. taxes	8,569	10,576
Prepaid expenses	12,793	6,717
Current Assets	\$ 553,582	\$ 449,282
#Fixed assets	57,703	48,480
Goodwill & other assets	97,810	14,081
Total Assets	\$ 709,095	\$ 511,843

Liabilities (000's)

Notes payable	\$ 135,215	\$ 43,145
Long-term debt, curr.	1,573	4,800
Accts. payable	50,288	28,036
Accruals	59,073	39,792
Income taxes	8,617	8,309
Curr. Liabilities	\$ 254,766	\$ 124,082
Long-term debt	30,306	35,202
Purch. tax benefits	11,949	14,242
Redem. preferred stock	300	300
*Common stock:		
Class A convert.	173	174
Class B	2,696	2,705
Add. paid-in capital	69,737	83,542
For. curr. trans. adjust.	(1,157)	(1,938)
Retained earnings	340,325	253,534
Total Liabilities & Shareholders' Equity	\$ 709,095	\$ 511,843

* At lower of cost (LIFO) or market.

Less accumulated depreciation.

+ No par value.

Statistical Summary

%Income bef. Taxes to Revenues	13.81	8.40
%Net Income to Revenues	8.45	4.09
%Net Income to Equity	24.70	10.61
Debt to Equity	0.41	0.25
Working Capital	\$ 298,816,000	\$ 325,200,000
Current Ratio	2.17	3.62
Shareholders' Equity	\$ 411,774,000	\$ 338,017,000

Nordisk Fjerfabrik Aktieselskab

(Northern Feather Ltd.)

Fittervej 4, The Freoport
DK-2100 Copenhagen O, Denmark

PHONE: 01 26 20 30 (national)
+45 1 26 20 30 (international)

Directors: Poul Schmith, chairman; Torleif Andersen, work supervisor; Claes Dahlback, group managing director; P. Norregaard Rasmussen, group managing director; John Petersen, group managing director; Inge Tuxen, clerk; I. L. Rasmussen, secretary to the board.

Group Management: S.-E. Schaumburg-Muller, managing director; H. Kase Hansen, managing director; J. B. Schonfeldt, managing director; John Hansen, managing director; Jørn Møller Madsen, managing director.

Business Activities: Manufactures pillows with feather as well as long and short fiber filling, other bedding products, duvets with Superdown filling as well as short-fiber and long-fiber synthetic duvets, and outdoor sleeping gear.

Trademarks and/or Brand Names: SONUS, Superdown, CARAVAN.

Subsidiaries (Denmark):

Nordisk Fjer International Forvaltnings
Copenhagen, Denmark

Nordisk Tekstil væveri & trykkeri A/S
Fyn/Jylland, Denmark

Nordisk Fjer Fritid A/S
Odense, Denmark

NF Udviklingscenter A/S
Middelfart, Denmark

Scanbed International A/S
Copenhagen, Denmark

Subsidiaries (U.S.A.):

Northern Feather International Inc.
Delaware

Northern Feather Inc.
Elizabeth & Newark, New Jersey
Chicago, Illinois
Dallas, Texas
Los Angeles, California

Stock Exchange(s): Copenhagen, Denmark

Sales & Earnings x

	Net Sales	Net Income
1987	Dkr125,593,332	Dkr36,188,440
1986	149,245,600	27,948,198

	No. of Com. Shares	Earn. per Share
1987	120,428	Dkr300.50

Dkr - Danish kroner.

x Parent company.

Oak Hill Sportswear Corporation

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987 Class A & B	Dkr88	—	—
1987 Class B scrips	136.90	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	Dkr500,059,236	Dkr4,152.35
1986	383,627,712	—

Income Account *

Year ended Mar. 31	1987	1986
Net sales	Dkr125,593,332	Dkr149,245,600
Production costs	112,102,641	131,958,567
Sales & distr. costs	5,114,464	7,217,084
Administration costs	13,054,180	10,660,754
Other income	(30,489,602)	(20,736,113)
Inc. from partic. int.	(4,202,916)	(4,530,385)
Interest income	(12,773,875)	(8,072,505)
Income before taxes	Dkr42,788,440	Dkr32,748,198
Income taxes	6,600,000	4,800,000
Net Income	Dkr36,188,440	Dkr27,948,198

* Included in Costs and Expenses, Depreciation and Amortization: Dkr4,629,945 in 1987 and Dkr3,421,953 in 1986.

Assets

As of Mar. 31	1987	1986
Cash	Dkr36,245	Dkr71,800
Marketable securities	10,541,721	1,527,339
Accts. receiv., net	394,948,789	277,029,376
*Stocks	49,179,310	50,874,823
Current Assets	Dkr454,706,065	Dkr329,503,338
Financial assets	126,835,567	126,737,172
#Fixed assets	82,549,546	66,187,420
Intangibles	102,184	1,300,283
Total Assets	Dkr664,193,362	Dkr523,728,213

Liabilities

Bank loans	Dkr65,121,680	Dkr82,427,144
Long-term debt, curr.	366,367	117,600
Accts. payable-trade	3,342,625	6,997,120
Accts. payable-subsid.	4,675,112	2,847,627
Taxes payable	3,187,144	7,995,860
Other payables	28,664,090	8,864,872
Prepaid income	399,842	399,842
Dividends	21,339,600	17,783,000
Current Liabilities	Dkr127,096,460	Dkr127,433,065
Long-term debt	22,748,622	8,328,492
Bank loans	2,168,250	2,218,150
Accts. payable-subsid.	2,000,000	2,000,000
Deferred taxes	10,000,000	—
Pensions	120,794	120,794
Common stock	248,962,000	177,830,000
Add. paid-in capital	121,330,971	97,830,971
Revaluation reserve	21,300,000	13,300,000
Reserves	102,000,000	90,457,500
Retained earnings	6,466,265	4,209,241
Total Liabilities & Shareholders' Equity	Dkr664,193,362	Dkr523,728,213

* At lower of cost and net realizable value.
Less accumulated depreciation.

Statistical Summary

%Income bef. Taxes to Sales	34.07	21.94
%Net Income to Sales	28.81	18.73
%Net Income to Equity	7.24	7.29
Sales to Inventories	2.55	2.93
Debt to Equity	0.18	0.24
Working Capital	Dkr327,609,605	Dkr202,070,273
Current Ratio	3.58	2.59
Shareholders' Equity	Dkr500,059,236	Dkr383,627,712

Nutmeg Industries, Inc.

4408 West Linebaugh Avenue
Tampa, Florida 33624
(813) 963-6153

Officers: Richard E. Jacobson, chairman of the board & chief executive officer; Martin G. Jacobson, president; Lloyd Roberts, vice president; James E. Gramling, chief financial officer & secretary-treasurer; Richard E. Becker, regional v.p.-sales; Robert N. Thornbladh, regional v.p.-sales; Rebecca T. Lavin, v.p.-operations; Steven J. Ruffless, v.p.-production; Dennis A. Griffin, administrative v.p.-manufacturing.

Directors: Richard E. Jacobson, chairman of the board; Martin G. Jacobson, Marc S. Geller, Todd N. Kanter, Walter P. Loebenberg, Thomas K. Riden, Howard Arvey, Alan H. Miller, Alfred S. Ross.

Business Activities: Designs, manufactures and markets customized apparel bearing the color schemes, names, symbols, logos and/or other designations of various colleges and universities, professional sports teams, and "Peanuts" characters. The Company's products are sold principally to sports fans, students and alumni and their families through retailers, such as campus bookstores, sporting goods stores and department stores.

Plant Location(s): Tampa, Florida.

Subsidiary:

Nutmeg Mills, Inc.
Tampa, Florida

Transfer Agent(s):

Southeast Bank, N.A.
One Southeast Financial Center
Miami, Florida 33131

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NUTM (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1/30/88	\$ 30,463,364	\$ 2,584,032
1/31/87	12,290,101	650,956
1/27/86 ‡ +	726,948	—
8/31/85 +	587,516	—
8/25/84 +	97,501	—
	No. of Com. Shares	Earn. per Share
1/30/88	4,275,625	\$ 0.60
1/31/87	4,272,500	0.17
1/27/86 ‡ +	2,190,600	—

‡ 5 months.

+ Predecessor company (customized apparel product line).

Common Stock Equity

	Total Equity	Equity Per Share
1/30/88	\$ 6,846,360	\$ 1.60
1/31/87	4,247,328	0.99
1/27/86	(360,261)	—

(Deficiency)

Income Account *

Net sales	\$ 30,463,364	\$ 12,290,101
Cost of sales	18,989,801	8,069,049
Expenses	6,225,183	2,824,685
Cost of aborted stock offering	133,256	—
Interest expense	884,992	432,950
Income bef. taxes	\$ 4,230,132	\$ 963,417
Income taxes	1,646,100	312,461
Net Income	\$ 2,584,032	\$ 650,956

* Included in Costs and Expenses, Depreciation and Amortization: \$418,894 in 1988 and \$297,142 in 1987.

Assets

As of	1/30/88	1/31/87
Cash	\$ 628,723	\$ 734,710
Accts. receiv., net	2,755,375	462,040
Inc. taxes receiv.	—	19,038
*Inventories	12,551,991	5,554,271
Prepaid expenses	135,516	126,044
Current Assets	\$ 16,071,605	\$ 6,896,103
#Fixed assets	2,998,577	2,066,745
Other assets	31,241	32,393
Intangibles	271,048	291,897
Total Assets	\$ 19,372,471	\$ 9,287,138

Liabilities

Notes payable	\$ 5,581,000	\$ 1,000,452
Long-term debt, curr.	607,500	367,646
Accts. payable	2,267,042	1,330,990
Accruals	523,808	307,871
Inc. taxes payable	1,302,211	—
Current Liabilities	\$ 10,281,561	\$ 3,006,959
Long-term debt	1,534,653	1,532,851
Subord. debentures	500,000	500,000
Deferred rent	150,897	—
Deferred inc. taxes	59,000	—
+Common stock	42,756	42,725
Add. paid-in capital	3,568,616	3,553,647
Retained earnings	3,234,988	650,956
Total Liabilities & Shareholders' Equity	\$ 19,372,471	\$ 9,287,138

* Fabrics and supplies at lower of cost (FIFO) or market. Finished goods and work in progress at lower of standard cost or market.

Less accumulated depreciation.
+ \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.89	7.84
%Net Income to Sales	8.48	5.30
%Net Income to Equity	37.74	15.33
Sales to Inventories	2.43	2.21
Debt to Equity	1.13	0.68
Working Capital	\$ 5,790,044	\$ 3,889,144
Current Ratio	1.56	2.29
Shareholders' Equity	\$ 6,846,360	\$ 4,247,328

Oak Hill Sportswear Corporation

1411 Broadway
New York, New York 10018
(212) 354-0444

Officers: Arthur L. Asch, chairman of the board & chief executive officer; Leslie A. Saul, president & chief operating officer; Martin Jacobson, v.p. & treasurer; Joseph Greenberger, secretary.

Directors: Arthur L. Asch, chairman; Joseph Greenberger, Steven Kotler, Leslie A. Saul, Bruce Blavin, Peter Sutro, Wilmer J. Thomas, Jr..

Oak Hill Sportswear Corporation

Business Activities: Designs, manufactures, imports and markets women's apparel and accessories. Principal products include skirts, tops, sweaters and cotton knits designed for the missy, junior, large size, and petite woman.

Trademarks and/or Brand Names: Oak Hill, Whitney Lang, Try I, OHL, Victoria Jones, TOI, Memphis Jones, Victoria Petites, Victoria Sport, Harmal, Victoria Jones Petites, Victoria Jones Woman, Victoria Wear, Casey and Max, Casey and Max Additions.

Plant Location(s): Marietta, Mississippi, and Long Island City, New York.

Divisions:

Oak Hill Sportswear
1411 Broadway
New York, New York 10018

Marietta Manufacturing
Marietta, Mississippi 38856

Harmal Industries
33-00 Northern Boulevard
Long Island City, New York 11101

Produces belts, costume jewelry, and a line of shirts, blouses and sundresses.

Transfer Agent(s):

American Stock Transfer & Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: OHSC (NASDAQ)

Sales & Earnings

	Net Sales	Net Income †
1988	\$ 115,820,000	\$ 2,654,000
1987	119,718,000	2,078,000
1986	102,068,000	3,682,000
1985	100,385,000	598,000
1984	95,269,000	2,098,000

No. of Com. Shares ‡

	No. of Com. Shares ‡	Earn. per Share ‡
1988	3,096,000	\$ 0.86
1987	3,630,000	0.57
1986	3,858,000	0.93
1985	3,700,000	0.16
1984	4,066,000	0.52

† Including extraordinary gains of \$1,138,000 (\$0.29 per share) in 1984.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 16,618,000	\$ 5.37
1987	22,828,000	6.29
1986	21,921,000	5.68
1985	20,080,000	5.43
1984	19,354,000	4.76

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account * (000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 115,820	\$ 119,718
Cost of sales	86,925	93,232
Expenses	23,341	21,915
Interest expense	931	860
Income before taxes	\$ 4,423	\$ 3,711

Income taxes	1,769	1,633
Net Income	\$ 2,654	\$ 2,078

* Included in Costs and Expenses, Depreciation and Amortization: \$597,000 in 1988 and \$580,000 in 1987.

	Assets (000's)	
As of Dec. 31	1988	1987
Cash	\$ 420	\$ 461
Accts. receiv., net	13,000	12,448
*Inventories	15,648	17,447
Other curr. assets	673	659
Current Assets	\$ 29,741	\$ 31,015
#Fixed assets	4,211	3,040
Other assets	518	158
Intangibles	1,497	1,546
Total Assets	\$ 35,967	\$ 35,759

	Liabilities (000's)	
Notes payable	\$ 6,900	\$ 600
Long-term debt, curr.	126	657
Accts. payable	5,352	6,964
Accruals	3,128	2,989
Income taxes	1,219	1,078
Curr. Liabilities	\$ 16,725	\$ 12,288
Long-term debt	2,416	453
Deferred inc. taxes	208	190
+Common stock	93	89
Add. paid-in capital	25,863	24,985
Retained earnings	6,375	3,721
Treasury stock	(15,713)	(5,967)
Total Liabilities & Shareholders' Equity	\$ 35,967	\$ 35,759

* At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ \$0.02 par value.

Statistical Summary

%Income bef. Taxes	3.82	3.10
to Sales	2.297	1.74
%Net Income to Sales	15.97	9.10
%Net Income to Equity	7.40	6.86
Sales to Inventories	0.57	0.07
Debt to Equity	\$ 13,016,000	\$ 18,727,000
Working Capital	1.78	2.52
Current Ratio	\$ 16,618,000	\$ 22,828,000
Shareholders' Equity		

Orbit Instrument Corporation

80 Cabot Court
Hauppauge, New York 11788
(516) 435-8300

Officers: Max Reissman, chairman & president; Mitchell Binder, v.p.-finance, treasurer & asst. secretary; Dennis Sunshine, v.p.-operations & secretary; Bruce Reissman, v.p.-marketing.

Directors: Max Reissman, chairman of the board; Mitchell Binder, Dennis Sunshine, Edward W. Easton, Barry Silverman.

Business Activities: Through U.S.A. Classic, Inc., a wholly owned subsidiary, the Company designs, manufactures and markets men's and boys' activewear under the "Everlast" label. Other Company activities include the design, manufacture and marketing of high-quality electrical components and subsystems for use in military, air traffic control and console applications and the marketing of speech response products.

Trademarks and/or Brand Names: Everlast®, Nautica Kids®. *Under a licensing agreement.

Subsidiaries:

U.S.A. Classic, Inc.
350 Fifth Avenue
New York, New York 10118
(212) 564-8833

Orbit Semiconductor, Inc. (80%-owned)
1230 Bordeaux Drive
Sunnyvale, California 94089
(408) 744-1800
Manufacture of customized semiconductor chips.

Orbit Instrument of California, Inc.
6431 Global Drive
Cypress, California 90630
(714) 527-0561

Computer Integration Associates, Inc.
123 White Oak Lane
Old Bridge, New Jersey 08857
(201) 679-9500

Develops and markets a family of speech response products, as well as custom UNIX-based applications.

Transfer Agent(s):

American Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ORBT (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1988	\$ 41,808,000	\$ 4,165,000
1987	38,943,000	3,686,000
1986	31,147,000	6,631,000
1985	20,009,400	4,231,400
1984	16,172,500	4,056,900

No. of Com. Shares

	No. of Com. Shares	Earn. per Share ‡
1988	9,521,000	\$ 0.44
1987	8,998,000	0.40
1986	8,838,000	0.76
1985	7,925,386	0.51
1984	7,603,798	0.51

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 57,946,000	\$ 6.09
1987	50,926,000	5.66
1986	45,046,000	5.10
1985	35,345,400	9.00
1984	30,354,200	3.99

Income Account *

Year ended June 30	1988	1987
Net sales	\$ 41,808,000	\$ 38,943,000
Cost of sales	29,301,000	29,003,000
Expenses	7,410,000	4,035,000
Interest expense	995,000	695,000
Invest. income	(573,000)	(868,000)
Income before taxes	\$ 4,675,000	\$ 6,078,000
Income taxes	910,000	2,392,000
Cum. effect of acct. change	(400,000)	—
Net Income	\$ 4,165,000	\$ 3,686,000

* Included in Costs and Expenses, Depreciation and Amortization: \$2,667,000 in 1988 and \$2,307,000 in 1987.

Owens-Corning Fiberglas Corporation

Assets		
As of June 30	1988	1987
Cash & cash equiv.	\$ 2,634,000	\$ 5,166,000
Marketable securities	18,866,000	14,474,000
Accts. receiv., net	10,165,000	8,010,000
* Inventories	23,926,000	19,108,000
Prepaid expenses	1,552,000	3,720,000
Deferred tax benefit	2,582,000	—
Other curr. assets	355,000	276,000
Current Assets	\$ 60,060,000	\$ 50,754,000
# Fixed assets	13,049,000	8,546,000
Intangibles	2,565,000	344,000
Other assets	1,227,000	454,000
Total Assets	\$ 76,901,000	\$ 60,998,000

Liabilities		
Long-term debt, curr.	\$ 2,529,000	\$ 2,019,000
Bank loan	980,000	—
Accts. payable	3,766,000	1,246,000
Accruals	1,844,000	1,044,000
Cust. advances	2,230,000	478,000
Curr. Liabilities	\$ 11,349,000	\$ 4,787,000
Long-term debt	7,162,000	3,827,000
Deferred inc. taxes	444,000	237,000
Minority interest	—	321,000
+ Common stock	1,050,000	998,000
Add. paid-in capital	27,839,000	25,330,000
Retained earnings	32,037,000	27,872,000
Treasury stock	(919,000)	(919,000)
Compensatory stock	(2,061,000)	(2,355,000)
Total Liabilities & Shareholders' Equity	\$ 76,901,000	\$ 60,998,000

* At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ \$0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.18	15.61
%Net Income to Sales	9.96	9.47
%Net Income to Equity	7.19	7.24
Sales to Inventories	1.75	2.04
Debt to Equity	0.18	0.99
Working Capital	\$ 48,711,000	\$ 45,967,000
Current Ratio	5.29	10.60
Shareholders' Equity	\$ 57,946,000	\$ 50,926,000

Oshkosh B'Gosh, Inc.

112 Otter Avenue
Oshkosh, Wisconsin 54901
(414) 231-8800

Mailing address:
P.O. Box 300
Oshkosh, Wisconsin 54902

Officers: C. F. Hyde, president & chief exec. officer; T. R. Wyman, exec. v.p.; W. P. Jacobsen, v.p. & treasurer; J. F. Beckman, v.p.-sales & marketing; A. S. Giordano, v.p.-manufacturing; S. R. Duback, secretary; K. H. Masters, asst. v.p.-mfg.; D. W. Hyde, v.p.-merchandising; M. D. Wachtel, v.p.-operations.

Directors: C. F. Hyde, W. P. Jacobsen, T. R. Wyman, S. R. Duback, J. C. Pickard, O. J. Bradley, D. W. Hyde, E. F. Leyhe, M. D. Wachtel.

Business Activities: Manufactures workwear and sportswear for adults, and casualwear and playwear for children, under the OshKosh B'Gosh and OshKosh names. Also operates 14 Genuine Article factory retail outlets.

Trademarks and/or Brand Names: OshKosh B'Gosh, OshKosh.

Plant Locations: Oshkosh, Wisconsin; Columbia, Marrowbone & Liberty, Kentucky; Celina, McEwen, Dover, Camden, Byrdstown, Jamestown, Whitehouse, McKenzie, Gainesboro, Red Boiling Springs; and Hermitage Springs, Tennessee.

Transfer Agent(s):

Harris Trust and Savings Bank
111 West Monroe
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GOSHA, GOSHB (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1988	\$ 252,994,000	\$ 18,772,000
1987	226,298,000	23,899,000
1986	198,197,000	20,636,000
1985	162,109,000	14,046,000
1984	137,423,000	12,853,000
	No. of Com. Share +	Earn. per Share ‡
1988	14,585,800	\$ 1.29
1987	14,585,800	1.64
1986	14,585,800	1.41
1985	14,585,800	0.96
1984	14,585,800	0.88

+ Adjusted to reflect stock splits.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1988	\$ 0.6500	—	—
1987	0.6300	—	—
1986	0.4949	—	—
1985	0.3837	—	20-for-1
1984	0.3443	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 97,186,000	\$ 6.66
1987	83,428,000	5.72
1986	64,375,000	4.41
1985	47,536,000	3.26
1984	36,072,000	2.47

‡ Adjusted to reflect stock splits.

Income Account*

Year ended Dec. 31	1988	1987
Net sales	\$ 252,994,000	\$ 226,298,000
Cost of sales	188,131,000	154,619,000
Expenses	34,158,000	29,924,000
Interest expense	1,228,000	649,000
Income taxes	(161,000)	(176,000)
Royalty income	(845,000)	(960,000)
Other expense	21,000	205,000
Income before taxes	\$ 30,462,000	\$ 42,237,000
Income taxes	11,690,000	18,338,000
Net Income	\$ 18,772,000	\$ 23,899,000

* Included in Costs and Expenses, Depreciation and Amortization: \$3,582,000 in 1988 and \$2,845,000 in 1987.

Assets		
As of Dec. 31	1988	1987
Cash	\$ 126,000	\$ 8,903,000
Accts. receiv., net	20,266,000	21,690,000
* Inventories	73,774,000	52,447,000
Prepaid expenses	180,000	439,000
Current Assets	\$ 94,346,000	\$ 83,479,000
# Fixed assets	43,575,000	28,951,000
Other assets	1,144,000	841,000
Total Assets	\$ 139,065,000	\$ 113,271,000

Liabilities

Short-term borrowings	\$ 11,835,000	\$ —
Long-term debt, curr.	1,128,000	1,124,000
Accts. payable	13,603,000	11,928,000
Dividends payable	—	1,003,000
Accruals	2,643,000	2,403,000
Income taxes	415,000	1,642,000
Other curr. liabilities	4,438,000	3,112,000
Curr. Liabilities	\$ 34,062,000	\$ 21,212,000
Long-term debt	5,662,000	6,790,000
Deferred income taxes	712,000	635,000
Deferred compensation	1,443,000	1,206,000
+ Common stock:		
Class A	128,000	128,000
Class B	18,000	18,000
Add. paid-in capital	2,971,000	2,971,000
Retained earnings	94,069,000	80,311,000
Total Liabilities & Shareholders' Equity	\$ 139,065,000	\$ 113,271,000

* At lower of cost (LIFO) or market.
Less accumulated depreciation.
+ \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.04	18.66
%Net Income to Sales	7.42	10.56
%Net Income to Equity	19.32	28.65
Sales to Inventories	3.43	4.31
Debt to Equity	0.19	0.09
Working Capital	\$ 60,284,000	\$ 62,267,000
Current Ratio	2.77	3.94
Shareholders' Equity	\$ 97,186,000	\$ 83,428,000

Owens-Corning Fiberglas Corporation

Fiberglas Tower
Toledo, Ohio 43659
(419) 248-8000

Officers: William W. Boeschstein, chairman of the board & chief exec. officer; Max O. Weber, president & chief operating officer; Guy O. Mabry, exec. v.p.; Lewis W. Saxby, sr. v.p.; Robert C. Doban, sr. v.p.-science & technology; William W. Colville, sr. v.p.-law & secretary; Paul V. Davenio, sr. v.p.; Robert D. Heddens, v.p.-personnel relations; Frank W. Como, v.p.-purchases & transportation; John E. Gates, v.p.-industrial relations; Joseph J. Doherty, v.p.-marketing communications; Bradford C. Oelmann, v.p.-corporate relations; Dennis R. Barber, v.p.-management information systems; Charles H. Dana, v.p.-Industrial Materials Operating Div.; Harry G. Kaminer, v.p. & treasurer; Gilbert Soors, v.p. & asst. treasurer; C. Peter Hauck, v.p. & controller; Charles C. Gifford, Jr., v.p.; Larry T. Solari, v.p. & gen. mgr.-Insulation Operating Division; J. Thomas Solon, v.p.-Non-Corrosive Products Division; Timothy E. Walsh, v.p.-Supply Division; Wayne A. Earley, v.p.-planning; J. Peter Detgen, v.p.-sales; Larry T. Solari, v.p.-Insulation Operating Division; Bert E. Elliott, v.p.-Roofing Products Operating Division; James S. Hearons, v.p.-international.

Directors: William W. Boeschstein, Louis W. Cabot, W.L. Hadley Griffin, Robert H. Knight, Robert V. Rosta, Furman C. Moseley, Jr., Peter L. Scott, Max O. Weber, Paul V. Davenio, Charles E. Esley, Jr.

Owens-Corning Fiberglass Corporation

Business Activities: Engaged in the manufacture of glass fiber products for a diversified range of markets: industrial and commercial construction; home building, industrial, marine, recreation, equipment and appliance; and industrial and decorative textile. Also produces polyester resins and high performance composite materials and components which include high technology carbon and silica textiles, preimpregnated reinforced plastic, fabrics and fibers.

Trademarks and/or Brand Names: Fiberglass, Beta, Beta Care, Creel-Pak, Dimensionair, Flowtite, Kaylo, Perma-Ply, S. Glass, S-2 Glass, Sonobatta, Trans-Pak, Blanket, Supreme Plus, SSL, Nova, Energy Miser, NUKON.

U.S. Plant Location(s): Aiken, Columbia & Anderson, S.C.; Compton, Martinez & Santa Clara, Calif.; Kearny, & Berlin, N.J.; Delmar, N.Y.; Summit III, Amarillo, Houston, Irving & Waxahatchie, Tex.; Atlanta & Fairburn, Ga.; Huntingdon, Pa.; Memphis & Jackson, Tenn.; Kansas City, Kan.; Medina & Newark, Ohio; Brookville, & Valparaiso, Ind.; Ft. Lauderdale & Jacksonville, Fla.; Denver, Col.; Detroit, Mich.; Kansas City, Mo.; Jessup, Md.; Minneapolis, Minn.; Fort Smith, Ark.; Morehead City, N.C.; Oklahoma City, Ok.; Portland, Ore.

Divisions:

Construction Products Group

Manufactures and markets insulation and roofing products for residential, commercial and industrial construction and remodeling. Also produces specialty asphalts and corrosion resistant underground petroleum storage tanks.

Insulation Operating Division
Roofing Products Operating Division
Supply Division
Non-Corrosive Products Division

Industrial Materials Operating Division

Produces reinforcements, yarns, and resins for industries such as transportation, marine, aerospace, energy, appliance, and electronics.

International Division

International operations include the manufacture and sale of reinforcements, yarns and insulation products outside the United States.

Subsidiaries:

American Borate Corporation
 Barcorp, Inc.
 Eric Company
 Fiberglass Fibras Limitada (Brazil)
 Matcorp, Inc.
 N.V. Owens-Corning S.A. (Belgium)
 Owens-Corning Fiberglass Deutschland GmbH (Germany)
 Deutsche Owens-Corning Glasswool GmbH (Germany)
 Owens-Corning Isolation France S.A.N.
 OCFIBRAS Limitada (Brazil)
 OC Finance, B.V. (The Netherlands)
 O/C/First Corporation
 OCFGO, Inc.
 OCFSC, Inc. (U.S. Virgin Islands)
 O/C/Second Corporation
 Owens-Corning Cayman Limited (Cayman Islands)
 European Owens-Corning Fiberglass (Belgium)
 Norsk Glassfiber A/S (Norway)
 Owens-Corning Fiberglass (U.K.) Ltd. (England)
 Owens-Corning Fiberglass (G.B.) Ltd. (England)
 Wrexham A.R. Glass Ltd. (England)
 Regina Fiberglass Ltd. (England)
 Owens-Corning Fiberglass Espana, S.A. (Spain)
 Owens-Corning Fiberglass France, S.A. (France)
 Owens-Corning Fiberglass Netherlands B.V. (The Netherlands)
 Owens-Corning Fiberglass (Italy) S.r.l.
 Roscorp, Inc.
 Scandinavian Glasfiber AB (Sweden)
 Glasfiber AB (Sweden)
 Scanglas, Ltd. (England)
 Dansk-Svensk Glasfiber A/S (Denmark)
 Veroc Technology A/S (Norway)
 Willcorp, Inc.
 Palmetto Products, Inc.
 O/C Tanks Corporation

Affiliates:

The Company's affiliates are generally engaged in the manufacture of fibrous glass products for the insulation, construction, reinforcements and textile markets, and include:

Arabian Fiberglass Insulation Company (49% interest)
 Saudia Arabia

Amiantit Fiberglass Industries, Ltd. (30% interest)
 Saudia Arabia

Asahi Fiber Glass Company, Ltd. (28% interest)
 Japan

CAE Fiberglass Ltd. (25% interest)
 Canada

Fiberglass Canada Inc. (49.4% interest)
 Canada

Polyplaster, S.A. (31.7% interest)
 Brazil

Vitro-Fibras, S.A. (40% interest)
 Mexico

Transfer Agent(s):

Manufacturers Hanover Trust Company
 Securityholder Relations
 P.O. Box 24935
 Church Street Station
 New York, New York 10249

Stock Exchange(s): New York

Ticker Symbol: OCF

Sales & Earnings

	Net Sales	Net Income †
1988	\$ 2,831,000,000	\$ 189,000,000
1987	2,891,000,000	200,000,000
1986	3,644,410,000	15,643,000
1985	3,304,959,000	131,212,000
1984	3,021,183,000	113,846,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	41,856,000	\$ 4.51
1987	41,583,000	4.81
1986	31,776,000	0.49
1985	29,695,000	4.42
1984	29,444,000	3.87

† Including extraordinary losses of \$8,000,000 (\$0.20 per share) in 1988 and \$20,000,000 (\$0.49 per share) in 1987.
 ‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business (000's)

	1988	1987
Insulation & construction	\$ 1,787,000	\$ 1,799,000
Industrial	525,000	492,000
International	519,000	457,000
Aerospace & strategic materials	—	91,000
Assets held for sale	—	52,000
Total	\$ 2,831,000	\$ 2,891,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ —	—	—
1987	—	—	—
1986	1.05	—	—
1985	1.40	—	—
1984	1.30	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ (610,000,000)	\$ —
1987	(809,000,000)	—
1986	(1,025,196,000)	—
1985	944,683,000	31.81
1984	841,629,000	28.58

(Deficiency)

‡ Based on the weighted average number of shares outstanding.

Income Account * (000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 2,831,000	\$ 2,891,000
Cost of sales	1,999,000	2,129,000
Expenses	355,000	335,000
Cost of borrowed funds	170,000	221,000
Other expense	6,000	4,000
Unusual items	—	(141,000)
Income bef. taxes	\$ 301,000	\$ 343,000
Income taxes	127,000	136,000
Eq. in inc. of affil.	(23,000)	(13,000)
Net Income	\$ 197,000	\$ 220,000
Extraord. loss	(8,000)	(20,000)
Net Income & extraord. loss	\$ 189,000	\$ 200,000

* Included in Costs and Expenses, Depreciation and Amortization: \$117,000,000 in 1988 and \$121,000,000 in 1987.

Assets (000's)

As of Dec. 31	1988	1987
Cash	\$ 2,000	\$ 9,000
Marketable securities	21,000	26,000
Receiv., net	387,000	404,000
* Inventories	197,000	175,000
Def. income taxes	71,000	68,000
Other current assets	9,000	11,000
Current Assets	\$ 687,000	\$ 693,000
Investments	68,000	54,000
# Fixed assets	805,000	804,000
Prepaid expenses & other assets	36,000	39,000
Total Assets	\$ 1,596,000	\$ 1,590,000

Liabilities (000's)

Short-term debt	\$ 117,000	\$ 142,000
Long-term debt, curr.	12,000	11,000
Accts. payable & accruals	420,000	404,000
Income taxes	36,000	23,000
Curr. Liabilities	\$ 585,000	\$ 580,000
Long-term debt	1,315,000	1,482,000
Reserves	77,000	72,000
Deferred investment credit	13,000	24,000
Deferred inc. taxes	11,000	20,000
Pension plan liab.	43,000	41,000
Other liabilities	162,000	180,000
+ Common stock	264,000	262,000
Notes receivable	(8,000)	(9,000)
Retained earnings (def.)	(878,000)	(1,067,000)
Curr. trans. adj.	12,000	5,000
Total Liabilities & Shareholders' Equity	\$ 1,596,000	\$ 1,590,000

* At cost (LIFO).

Less accumulated depreciation.

+ \$0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	10.63	11.86
% Net Income to Sales	6.96	7.61
Sales to Inventories	14.37	16.52
Working Capital	\$ 102,000,000	\$ 113,000,000
Current Ratio	1.17	1.19
Shareholders' Equity (Deficiency)	\$ (610,000,000)	\$ (809,000,000)

Oxford Industries, Inc.

222 Piedmont Avenue, N.E.
Atlanta, Georgia 30308
(404) 659-2424

Officers: J. Hicks Lanier, chairman & president; Knowlton J. O'Reilly, group v.p.; Benjamin B. Blount, Jr., exec. v.p.-planning & development; R. William Lee, Jr., exec. v.p.-finance & administration; Abner E. Avirett, controller & treasurer; Lawrence K. Menter, secretary & corp. counsel; Kontz L. Mitchell, asst. controller; James W. Wold, asst. treasurer.

Directors: J. Hicks Lanier, chairman; J. Reese Lanier, Bradley Hale, John P. Hunter, Jr., R. William Lee, Jr., Wilton D. Looney, Gene W. Milner, Clifford M. Kirtland, Jr., Cecil D. Conlee, Robert Strickland, John B. Ellis, Benjamin B. Blount, Jr., Knowlton J. O'Reilly.

Business Activities: Manufactures men's, women's and children's apparel under various Oxford brands for sale to chain, department and specialty stores.

Apparel Trademarks and/or Brand Names: Wright, Merona Sport, Robert Stock, Holbrook, Oxford Shirts, Oxford Slacks, Neon, Malibu Beach Club, B.J. Design Concepts, Merona, Cos Cob, Lanier Clothes, McGregor, JBJ, Polo for Boys®, Oscar de la Renta®, Jhane Barnes®, Lee-Wright Collections®, Ken Done®, Robert Stock®.
*Under license and design agreements.

Plant Locations: Alamo, Alma, Bowman, Commerce, Covington, Cummings, Dawson, Dublin, Greenville, Lawrenceville, Lincolnton, Lyons, Macon, Monroe, Monticello, Reynolds, Rome, Royston, Tifton, Toccoa, Unadilla, Vidalia & Wadley, Ga., Belton, Camden, Chester, Columbia, Donalds, Gaffney, Greenwood, Hickory Grove, Kingstree, Whitmire, S.C.; Burgaw, Hamlet & Maiden, N.C.; Fayette, Luverne, Ala.; Decherd, Tenn.; Narrows, Va.; Tupelo, Ms.; Agua Prieta, Sonora, Merida, Mexico.

Divisions:

Oxford Shirt Division
Lanier Clothes Division
Oxford Dress Division
Oxford Collections
Oxford Separates
Oxford Slacks
Merona Sport Division
Cos Cob Division

Subsidiaries:

Oxford Apparel, Inc.
Atlanta, Georgia

Oxford Retail, Inc.
Sanford, North Carolina

Oxford Products (Far East) Ltd.
Hong Kong & Singapore

Camisas Bahia Kino S.A. de C.V.
Sonora, Mexico

Merco Apparel International, Ltd.
Hong Kong & Taiwan

Transfer Agent(s):

Trust Company Bank
Atlanta, Georgia

Stock Exchange(s): New York

Ticker Symbol: OXM

Sales & Earnings

	Net Sales +	Net Income
1989	\$ 566,176,000	\$ 9,875,000
1988*	590,603,000	(9,754,000)
1987	553,380,000	10,614,000
1986	533,581,000	10,304,000
1985	558,666,000	7,133,000
	No. of Com. Shares #	Earn. per Share #
1989	9,956,000	\$ 0.99
1988*	10,463,000	—
1987	11,125,000	0.95
1986	11,128,109	0.93
1985	11,079,593	0.64

(Loss)

* 53 weeks.

+ Including revenues from service contracts and finance charges.

Based on the average number of shares outstanding.

Revenues by Line of Business

	1989	1988	1987	1986
Apparel:				
Men'swear	60 %	61 %	64 %	62 %
Womenswear	40	39	36	38
Total	100 %	100 %	100 %	100 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	\$ 0.50	—	—
1988	0.50	—	—
1987	0.48	—	—
1986	0.45	—	—
1985	0.42	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	\$ 107,576,000	\$ 10.89
1988	103,712,000	10.40
1987	130,464,000	11.84
1986	128,746,000	11.51
1985	123,109,000	11.10

Income Account *

Year ended	6/2/89 (53 weeks)	6/3/88
Net sales	\$ 566,176,000	\$ 590,603,000
Cost of sales	454,173,000	495,658,000
Expenses	91,890,000	99,813,000
Restruct. charge	—	10,000,000
Interest expense	3,981,000	4,146,000
Inc. (loss) bef. taxes	\$ 16,132,000	\$ (19,014,000)
Income taxes (credit)	6,257,000	(9,260,000)
Net Income (Loss)	\$ 9,875,000	\$ (9,754,000)

* Included in Costs and Expenses, Depreciation and Amortization: \$7,998,000 in 1989 and \$8,731,000 in 1988.

Assets

As of	6/2/89	6/3/88
Cash	\$ 10,089,000	\$ 1,720,000
Receivables, net	71,991,000	75,764,000
* Inventories	90,332,000	99,541,000
Prepaid expenses	5,552,000	7,400,000
Current Assets	\$ 177,964,000	\$ 184,425,000
# Fixed assets	33,920,000	36,514,000
Other assets	1,178,000	2,069,000
Total Assets	\$ 213,062,000	\$ 223,008,000

Liabilities

Notes payable	\$ —	\$ 15,000,000
Long-term debt, curr.	4,653,000	4,595,000
Accts. payable	40,703,000	38,305,000
Accrued compensation	11,610,000	10,959,000
Other accruals	9,727,000	8,901,000
Income taxes	1,065,000	—
Curr. Liabilities	\$ 67,758,000	\$ 77,760,000
Long-term debt	36,843,000	41,474,000
Deferred inc. taxes	885,000	62,000
+ Common stock	9,881,000	9,974,000
Add. paid-in capital	5,387,000	5,474,000
Retained earnings	92,308,000	88,264,000
Total Liabilities & Shareholders' Equity	\$ 213,062,000	\$ 223,008,000

* At lower of cost (LIFO) or market.

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

% Income bef. Taxes to Sales	2.85	—
% Net Income to Sales	1.74	—
% Net Income to Equity	9.18	—
Sales to Inventories	6.27	5.93
Debt to Equity	0.39	0.59
Working Capital	\$ 110,206,000	\$ 106,665,000
Current Ratio	2.63	2.37
Shareholders' Equity	\$ 107,576,000	\$ 103,712,000

Pannill Knitting Company, Incorporated

202 Cleveland Avenue
P.O. Box 5151
Martinsville, Virginia 24115
(703) 638-8841

NOTE: The Company was acquired by Sara Lee Corporation (50%) and a group of private investors (50%) including Butler Capital, on June 30, 1989.

Officers: William G. Pannill, chairman of the board & chief exec. officer; John G. Decker, president & chief operating officer; Bryce N. Middleton, exec. v.p. & chief financial officer; Norman H. Philips, v.p. & dir. sales; William L. Pannill, v.p. merchandising; Joe R. Brown, secretary & treasurer; T. Eugene McBride, v.p.-operations; M. Richard Masoncup, v.p.-finance & controller; Julius A. Dykes, v.p.-human resources; Dwight M. Pemberton, v.p.-manufacturing; Robert P. Robertson, v.p. & national sales mgr.; Stephen Kornberg, v.p.-sales, Eastern region; James P. Murphy, v.p.-sales; Marieme M. Meadows, asst. secretary.

Directors: William G. Pannill, chairman; John G. Decker, Bryce N. Middleton, Peter E. Bennett, Gilbert Butler, R. Bradford Malt, Arthur W. Wadman.

Business Activities: Manufactures and distributes fleeced sportswear, offering sweatshirts and sweatpants in a wide array of colors and sizes, for men, women, children and infants. Principal products are long-sleeve crewneck sweatshirts, hooded sweatshirts available in zipper or pullover styles and sweatpants with elastic or drawstring waists.

Trademarks and/or Brand Names: Pannill, Ultra Sweats.

Plant Locations: Martinsville, Gretna, Floyd, Stuart, and Rocky Mount, Virginia; Eden, N.C.

Subsidiary:

Eden Yarns, Inc.
(50%-owned)
Eden, North Carolina
Manufactures yarn.

Pannill Knitting Company, Incorporated

Sales & Earnings

	Net Sales	Net Income †
1987	\$ 259,922,000	\$ 16,779,000
1986	243,498,000	21,703,000
1985	191,522,000	18,830,000
1984 *	117,865,000	(7,203,000)
1983 x	190,052,000	22,752,000

	No. of Com. Shares ‡	Earn. per Share †
1987	15,000,000	\$ 1.12
1986	15,000,000	1.41
1985	14,821,000	1.19
1984 *	14,570,000	—

(Loss)

* 36 weeks.

x On Apr. 18, 1984, Pannill Knitting Co., (The Predecessor Company) was merged into PKC Acquisition, Inc., whose name was changed to Pannill Knitting Company, Inc. at the time of the merger. These figures are for the Predecessor Company.

† Including extraordinary gain of \$4,872,000 (\$0.33 per share) in 1985 and extraordinary loss of \$708,000 (\$0.05 per share) in 1986.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	\$ 39,335,000	\$ 2.62
1986	22,556,000	1.50
1985	1,383,000	0.09
1984	(16,720,000)	—

(Deficiency)

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1987	1986
Net sales	\$ 259,922	\$ 245,498
Cost of sales	191,992	161,130
Expenses	16,904	16,105
Amortization of goodwill	1,809	2,157
Interest expense	19,249	17,310
Amort. of fin. costs	803	1,702
Interest income	(1,372)	(1,041)
Public offering expense	—	1,918
Other expenses	258	19
Inc. bef. taxes	\$ 30,279	\$ 46,198
Income taxes	13,500	23,787
Net Income	\$ 16,779	\$ 22,411
Extraord. loss	—	(708)
Net Income & extraord. loss	\$ 16,779	\$ 21,703

* Included in Costs and Expenses, Depreciation: \$7,533,000 in 1987 and \$6,231,000 in 1986.

Assets

As of Dec. 31	1987	1986
Cash	\$ 3,253	\$ 2,333
Accts. receiv., net	93,935	65,028
Inventories	28,639	26,577
Prepaid expenses	516	394
Current Assets	\$ 126,343	\$ 94,332
# Fixed assets	82,770	75,327
Invest. in 50%-owned affil.	2,915	—
Other assets	54,453	56,468
Total Assets	\$ 266,481	\$ 226,127

Liabilities

	(000's)	
Long-term debt, curr.	\$ 11,750	\$ 11,000
Accts. payable	4,770	12,618
Accrued payroll	5,640	5,871
Other accruals	187	428
Accrued income taxes	4,239	12,061
Curr. Liabilities	\$ 26,586	\$ 41,778
Long-term debt	178,019	142,787
Deferred inc. taxes	22,541	19,006
+ Common stock	150	150
Add. paid-in capital	14,893	14,893
Retained earn.	47,539	30,760
Exc. of purch. price over value of predecessor company	(23,247)	(23,247)
Total Liabilities & Shareholders' Equity	\$ 266,481	\$ 226,127

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	11.65	18.82
% Net Income to Sales	6.46	9.13
Sales to Inventories	9.08	9.24
Debt to Equity	4.82	6.82
Working Capital	\$ 99,757,000	\$ 52,554,000
Current Ratio	4.75	2.26
Shareholders' Equity	\$ 39,335,000	\$ 22,556,000

Phillips-Van Heusen Corporation

1290 Avenue of the Americas
New York, New York 10104
(212) 541-5200

Officers: Lawrence S. Phillips, chairman; Bruce J. Klatsky, president; Irwin W. Winter, v.p. & chief financial officer; Michael Frenkel, v.p. & counsel; Pamela N. Hootkin, v.p., treasurer & secretary; Cynthia L. Tarantino, v.p. & controller; James J. Murphy, v.p.; Murray Weinberg, v.p.; Walter C. Zambrovitz, v.p.; Mark Weber, v.p.

Directors: Lawrence S. Phillips, chairman; Shirley Goodman Brown, Edward H. Cohen, Estelle Ellis, Bruce J. Klatsky, Bruce Maggin, Ellis E. Meredith, James J. Murphy, Steven L. Osterweis, William S. Scolnick, Peter J. Solomon, Irwin W. Winter.

Business Activities: Manufactures men's dress shirts, sport shirts, jeans, topsuits, raincoats, sweaters, slacks, sportswear, outerwear, suits and sportcoats; women's blouses and blouses; and men's and women's shoes. Also operates retail clothing stores and shoe stores.

Apparel Trademarks and/or Brand Names: Van Heusen Collection, Cricketer, Country Britches, Hennessy, Cacharel, Custom Club, Open Boundaries, Daks, Made For Weekends, Geoffrey Beene, Cricketer Woman, 417, Baracuta, Corum, Players, Etienne Aigner, Alan Flusser, Baccarat, Winterweights, Gear by Van Heusen, Bass Weejuns.

Divisions and Subsidiaries

Retail Division

The Retail Group

Van Heusen Retail

G.H. Bass Retail

Manufacturing Divisions:

The Van Heusen Group of Companies
The Van Heusen Company
The Designer Group
The Pickwick Company
The Van Heusen Corporate Markets Company
Private Label Sportswear Group
PVH Somerset Company
Somerset Knitting Mills, Inc.

All at:

1290 Avenue of Americas
New York, New York 10104

G.H. Bass & Co.

Engaged in the manufacture, distribution and retail marketing of men's and women's shoes.

Transfer Agent(s):

Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): New York

Ticker Symbol: PVH

Sales & Earnings

	Net Sales †	Net Income
1989	\$ 641,038,000	\$ 20,669,000
1988	800,025,000	30,009,000
1987	370,932,000	20,101,000
1986	397,466,000	15,935,000
1985*	401,111,000	15,298,000

	No. of Com. Shares ‡	Earn. per Share +
1989	9,049,000	\$ 1.34
1988	9,039,000	1.97
1987	15,134,000	1.27
1986	15,279,000	1.02
1985*	15,231,000	0.98

* 53 weeks.

† Including operating revenues; of continuing operations only.

‡ Adjusted to reflect stock split.

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Apparel	\$ 460,342	\$ 416,407
Footwear	180,696	83,618
Total	\$ 641,038	\$ 500,025

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	\$ 0.28	—	—
1988	0.25	—	—
1987	0.16	—	—
1986	0.16	—	—
1985	0.16	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	\$ 32,476,000	\$ 3.59
1988	22,456,000	2.48
1987	164,522,000	10.87
1986	150,676,000	9.86
1985	137,567,000	9.03

+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	1/29/89	1/31/88
Net sales & rev.	\$ 641,038	\$ 500,025
Cost of sales	438,169	350,364
Expenses	157,173	110,156
Other expense (income)	2,201	(2,678)
Interest income	(1,159)	(2,040)
Interest expense	17,268	8,250
Income before taxes	\$ 27,386	\$ 35,973
Income taxes	6,565	14,655
Inc. - cont. oper.	\$ 20,821	\$ 21,318
Inc. (loss) - discont. oper.	(152)	8,691
Net Income	\$ 20,669	\$ 30,009

* Included in Costs and Expenses, Depreciation and Amortization: \$6,237,000 in 1989 and \$5,150,000 in 1988.

Assets
(000's)

As of	1/29/89	1/31/88
Cash	\$ 9,907	\$ 22,621
Receiv., net	59,906	70,136
*Inventories	173,325	142,818
Other curr. assets	9,028	7,545
Net assets held for sale	12,873	15,015
Curr. Assets	\$ 265,039	\$ 258,135
#Fixed assets	42,282	47,487
Intangibles	3,453	3,255
Other assets	12,359	8,896
Total Assets	\$ 323,133	\$ 317,773

Liabilities
(000's)

Long-term debt, curr.	\$ 12,521	\$ 4,539
Cap. lease oblig., curr.	328	301
Accts. payable	24,424	26,046
Accruals	80,649	49,344
Income taxes	269	6,511
Curr. Liabilities	\$ 88,191	\$ 86,741
Long-term debt	113,476	117,596
Cap. lease oblig.	2,924	3,252
Other liabilities	13,266	14,928
Redeem. preferred stock	72,800	72,800
+Common stock	15,778	15,766
Add. paid-in capital	31,011	30,927
Retained earnings	159,517	149,570
Treasury stock	(173,830)	(173,807)
Total Liabilities & Shareholders' Equity	\$ 323,133	\$ 317,773

* At lower of cost or market. Apparel at LIFO; footwear at FIFO.
Less accumulated depreciation and amortization.
+ \$1 par value.

Statistical Summary

%Net Income to Equity	63.64	—
Debt to Equity	3.98	5.60
Working Capital	\$ 176,848,000	\$ 171,394,000
Current Ratio	3.01	2.98
Shareholders' Equity	\$ 32,476,000	\$ 22,456,000

Pope, Evans and Robbins
Incorporated

1410 Broadway, 24th Floor
New York, New York 10018
(212) 391-8300

Officers: Joseph E. Robbins, chairman of the board & secretary; Harry Rabinowitz, president & treasurer.

Directors: Joseph E. Robbins, chairman, Julian L. Barnett, Richard L. Moore, Harry Rabinowitz.

Business Activities: Designs, imports and distributes sweaters and other knit products. Manufactures and markets women's blouses and tops, and imports and sells at wholesale a wide range of wearing apparel.

Trademarks and/or Brand Names: De Rothschild, Extra Energy, Heidi, Heidi Kids, Gladys Bagley, Gladys Bagley Petites, Lady DeRothschild.

Plant Location: New York, New York; San Lorenzo, Puerto Rico; Windgap, Pennsylvania.

Subsidiary:

Pat Fashions Industries, Inc.

1370 Broadway
New York, New York
(212) 695-3510

Imports and sells a wide range of wearing apparel at wholesale. Also, manufactures and markets women's blouses and tops.

Transfer Agent(s):

Continental Stock Transfer and Trust Co.
72 Reade Street
New York, New York

Stock Exchange(s): American

Ticker Symbol: PER

Sales & Earnings

	Net Sales +	Net Income
1988	\$ 126,262,000	\$ (30,486,000)
1987	57,200,000	(12,871,000)
1986	58,060,000	(97,221,000)
1985	61,622,000	(12,947,000)
1984	31,343,000	1,149,000
	No. of Com. Shares ‡	Earn. per Share ‡
1988	6,846,000	\$ —
1987	7,404,000	—
1986	8,008,000	—
1985	8,227,000	—
1984	8,180,000	0.14

(Loss)

+ Of continuing operations only

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ (21,228,000)	\$ —
1987	7,504,000	1.01
1986	22,946,000	2.87
1985	31,349,000	3.81
1984	44,263,000	5.41

(Deficiency)

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	1988	1987
June 30		
Net sales	\$ 126,262,000	\$ 57,200,000
Cost of sales	98,182,000	47,029,000
Expenses	28,096,000	15,438,000
Prov. for store clos.	2,700,000	2,000,000
Interest expense	7,423,000	3,188,000
Other expenses	641,000	621,000
Prov. for loss on note receiv.	12,900,000	—
Write-off of cost in exc. of assets acq.	7,013	—
Loss bef. taxes	\$ (30,693,000)	\$ (11,076,000)
Income taxes (credit)	153,000	(73,000)
Loss - cont. oper.	\$ (30,846,000)	\$ (11,003,000)
Loss - discont. oper.	—	(1,868,000)
Net Loss	\$ (30,846,000)	\$ (12,871,000)

* Included in Costs and Expenses, Depreciation and Amortization: \$1,688,000 in 1988 and \$1,304,000 in 1987.

Assets

As of June 30	1988	1987
Cash	\$ 2,322,000	\$ 6,202,000
Accts. receiv., net	16,059,000	8,782,000
*Inventories	19,616,000	14,431,000
Prepaid expenses	623,000	1,538,000
Current Assets	\$ 38,620,000	\$ 30,953,000
#Fixed assets	2,691,000	2,802,000
Notes receivable	491,000	16,900,000
Other assets & deferred charges	3,022,000	2,632,000
Intangibles	—	7,095,000
Net assets-disc. oper.	—	488,000
Total Assets	\$ 44,824,000	\$ 60,870,000

Liabilities

Notes payable	\$ 13,319,000	\$ 13,930,000
Long-term debt, curr.	1,202,000	73,000
Accts. payable	5,911,000	5,634,000
Accruals	3,420,000	1,311,000
Income taxes	1,554,000	11,000
Curr. Liabilities	\$ 25,406,000	\$ 20,959,000
Long-term debt	41,928,000	32,407,000
Severance & retire. oblig.	718,000	—
+ Common stock	840,000	840,000
Add. paid-in capital	19,845,000	21,594,000
Retained earnings (deficit)	(32,429,000)	(8,583,000)
Treasury stock	(4,484,000)	(6,351,000)
Total Liabilities & Shareholders' Equity	\$ 44,824,000	\$ 60,870,000

* At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ \$0.10 par value.

Statistical Summary

Sales to Inventories	6.44	3.96
Debt to Equity	—	6.18
Working Capital	\$ 13,214,000	\$ 9,994,000
Current Ratio	1.52	1.48
Shareholders' Equity (Deficiency)	\$ (21,228,000)	\$ 7,504,000

PPG Industries, Inc.

One PPG Place
Pittsburgh, Pennsylvania 15272
(412) 434-3131

PPG Industries, Inc.

Officers: Vincent A. Sarni, chairman of the board & chief executive officer; Raymond W. LeBoeuf, v.p.-finance; Charles P. Blahous, v.p.-environment, health & safety; Guy A. Zoghby, v.p. & general counsel; L. B. Boswell, v.p.-International & president-PPG Industries Europe; Russell L. Crane, v.p.-human resources; Edward I. Sproull, Jr., v.p.-tax administration; Thomas F. Hudak, controller; Lawrence M. Call, treasurer; Joseph E. Rowe, v.p. & chief scientist; Robert D. Duncan, group v.p.-glass; Eugene B. Mosier, group v.p.-coatings & resins; Richard M. Rompala, group v.p.-chemicals; Edward F. Vobori, v.p. & gen. mgr.-Biomedical Systems Division; Franklin H. Green, v.p.-fiber glass products; John L. MacMillan, president-PPG Canada Inc.; Roderick I.A. Watts, president-PPG Industries Asia/Pacific Ltd..

Directors: Douglas D. Danforth, Stanley C. Gault, James F. Junge, Stephen F. Keating, John W. Morrison, Robert W. Morse, Vincent A. Sarni, L. Stanton Williams, Harold A. McInnes, Allen J. Krowe, David G. Vice.

Business Activities: Engaged in the production of coatings and resins, chemicals, flat glass, medical electronic systems and fiber glass products, including yarn for textile manufacture, fibers and mats for reinforced plastic products.

Textile Trademarks and/or Brand Names: TEXO, L.E.X., HercuFlex.

Fiber Glass Plant(s): Lexington & Shelby, N.C.; Wigan, England.

Divisions and Subsidiaries:

Glass Group
Coatings & Resin Group
Chemicals Group

Instrument & Systems Group PPG Canada
Toronto, Ontario, Canada

Bousois
France

Peintures Corona (98% owned)
France

Biomedical Systems Division
Freiburg, West Germany
Best, The Netherlands

Manufactures patent monitoring systems and sensors, defibrillators, and electrocardiogram instruments.

Ampaspace (80% owned)
Cremona, Italy

Manufacture of aircraft transparencies
Vernante Penitalia

PPG Industries (U.K.) Ltd.

Manufactures automotive and industrial coatings.

Industrie Vernici Italiane, S.p.A.

Manufactures automotive and industrial coatings and resins.

Asahi-Fenn Chemical
Chiba, Japan

Pinturas Pittsburgh de Mexico (59% owned)
Tlalnepantla, Mexico

Pinturas Pittsburgh Iberica (60% owned)
Spain

PPG Industries Taiwan (55% owned)
Taichung, Taiwan

Wulffing
Wuppertal, West Germany

Silenka B.V.
The Netherlands

Jordan Chemical Company
Folcraft, Pennsylvania
Manufactures specialty chemicals.

Dangyu Industrial Company Ltd.
Pusan, Korea
Produces automotive coatings.

Chemfil Corporation
Metal pretreatment supplier.

Mazer Chemicals, Inc.
Santek Chemicals, Inc.
Specialty chemical manufacturers.

Lenhardt Maschinenbau GmbH (75% owned)
Manufacturer of insulating glass machinery.

Separations Technology, Inc. (90%-owned)
Manufactures and markets liquid chromatography process equipment.

Solaglas U.S.A., Inc.
A wholesale distributor of automotive replacement glass.

JME Chemicals, Inc.
A metal pretreatment supplier.

Transfer Agent(s):

Pittsburgh National Bank
Stock Transfer Department - 982
Pittsburgh, Pennsylvania 15265

Stock Exchange(s): New York, Philadelphia, Pacific, Tokyo

Ticker Symbol: PPG

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1988	\$ 5,616,700	\$ 467,600
1987	5,182,600	377,100
1986	4,687,100	316,400
1985	4,345,500	302,700
1984	4,242,200	302,600

	No. of Com. Shares #	Earn. per Share #
1988	109,800,000	\$ 4.26
1987	118,200,000	3.19
1986	118,900,000	2.66
1985	133,400,000	2.27
1984	139,900,000	2.16

Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1988	\$ 1.28	—	—
1987	1.11	—	—
1986	0.94	—	2-for-1
1985	0.82	—	—
1984	0.70	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1988	\$ 2,243,400	\$ 20.47
1987	2,043,500	18.43
1986	1,977,800	16.56
1985	1,705,300	14.39
1984	2,015,000	14.41

‡ Adjusted to reflect stock split.

Income Account (000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 5,616,700	\$ 5,182,600
Cost of sales	3,352,300	3,166,100
Expenses	865,000	824,600
Research & devel.	227,000	233,700
Depreciation	274,100	265,800
Interest expense	115,100	106,800
Bus. divest.	23,400	(15,500)
Other charges	77,400	41,600
Share of earn. of eq. affil.	(22,000)	(16,000)
Other income	(83,900)	(66,800)
Income before taxes	\$ 788,300	\$ 642,300
Income taxes	311,400	259,800
Minority interest	9,300	5,400
Net Income	\$ 467,600	\$ 377,100

Assets (000's)

As of Dec. 31	1988	1987
Cash & time deposits	\$ 103,400	\$ 82,100
Receiv., net	1,010,000	1,037,300
*Inventories	683,100	650,700
Other assets	102,500	74,000
Current Assets	\$ 1,899,000	\$ 1,844,100
Investments	208,500	173,700
#Fixed assets	2,757,700	2,685,000
Other assets	288,900	304,900
Total Assets	\$ 5,154,100	\$ 5,007,700

Liabilities (000's)

Short-term borrowings & long-term debt, curr.	\$ 426,400	\$ 509,500
Accrs. payable & accruals	799,200	736,800
Income taxes	33,700	38,500
Oblig. under cap. leases	5,200	9,800
Curr. Liabilities	\$ 1,264,500	\$ 1,294,600
Long-term debt	838,000	863,000
Oblig. under cap. leases	38,900	40,300
Future inc. taxes	399,400	370,400
Accrued pensions	79,400	81,700
Maint. & repairs	51,700	82,600
Other liabilities	175,600	145,100
Minority interest	63,200	86,500
+Common stock	242,100	242,100
Add. paid-in capital	124,000	123,600
Retained earnings	2,781,200	2,459,500
Foreign currency translation	3,900	73,400
Treasury stock	(907,800)	(855,100)
Total Liabilities & Shareholders' Equity	\$ 5,154,100	\$ 5,007,700

* At cost (LIFO) or at lower of cost or market.

Less accumulated depreciation.

+ \$1.66 2/3 par value.

Statistical Summary

%Income bef. Taxes	14.03	12.39
to Sales	8.33	7.28
%Net Income to Sales	20.84	18.45
%Net Income to Equity	8.22	7.96
Sales to Inventories	0.58	0.69
Debt to Equity	\$ 634,500,000	\$ 549,500,000
Working Capital	1.50	1.42
Current Ratio	\$ 2,243,400,000	\$ 2,043,500,000
Shareholders' Equity		

ProGroup, Inc.

6201 Mountain View Road
Ooltewah, Tennessee 37363
(615) 238-5890

Officers: John M. Tucker, chairman of the board, president & chief exec. officer; Edgar M. Liendecker, v.p.; Alvin C. Ramsey, v.p.-manufacturing; Thomas A. Caldwell, secretary; Charles B. Cory, controller.

Directors: Robert H. Caldwell, C. William Crain, Lewis W. Oehmig, Arnold D. Palmer, John B. Stout, John M. Tucker, George R. Wislar.

Business Activities: Manufactures and sells golf equipment and nylon sports apparel, including golf clubs, bags, luggage, gloves, rainwear and sports apparel.

Trademarks and/or Brand Names: Duckster, Arnold Palmer, First Flight, HOT-Z, Palmer Standards, Palmer Peerless, Hotze, James H. McClory, The Axiom.

Plant Locations: Cleveland and Ooltewah, Tenn.; Poca-hontas, Ark.

Divisions and Subsidiaries:

Arnold Palmer Golf Company

Duckster Sportswear Division

PGC International, Inc. (DISC)

Transfer Agent(s):

Third National Bank
Box 2844
Uptown Station
Nashville, Tennessee 37219

Stock Exchange(s): Over-the Counter

Ticker Symbol: PRGR (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1988	\$ 31,237,000	\$ 2,130,000
1987	28,915,000	2,536,000
1986	27,596,000	1,999,000
1985	25,803,000	702,000
1984	24,927,000	1,282,000

	No. of Com. Shares	Earn. per Share †
1988	2,477,533	\$ 0.85
1987	2,539,834	0.97
1986	2,635,562	0.76
1985	2,572,889	0.27
1984	2,551,389	0.48

† Based on the monthly average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1988	1987
Golf equipment & accessories	\$ 20,288,000	\$ 20,427,000
Apparel	10,949,000	8,488,000
Total	\$ 31,237,000	\$ 28,915,000

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 18,594,000	\$ 7.50
1987	16,829,000	6.63
1986	15,248,000	5.78
1985	13,159,000	5.11
1984	12,434,000	4.87

Income Account*

Year ended	10/1/88	10/3/87
Net sales	\$ 31,237,000	\$ 28,915,000
Cost of sales	20,115,000	17,710,000
Expenses	7,732,000	7,181,000
Interest expense	243,000	53,000
Interest income	(130,000)	(183,000)
Other income	(158,000)	(380,000)
Income before taxes	\$ 3,435,000	\$ 4,534,000
Income taxes	1,305,000	1,998,000
Net Income	\$ 2,130,000	\$ 2,536,000

* Included in Costs and Expenses, Depreciation and Amortization: \$533,000 in 1988 and \$405,000 in 1987.

Assets

As of	10/1/88	10/3/87
Cash	\$ 320,000	\$ 154,000
Receiv., net	9,378,000	10,557,000
*Inventories	6,976,000	3,930,000
Prepaid expenses	956,000	800,000
Current Assets	\$ 17,630,000	\$ 15,241,000
#Fixed assets	5,143,000	5,163,000
Other assets	804,000	1,461,000
Total Assets	\$ 23,577,000	\$ 21,865,000

Liabilities

Short-term borrowings	\$ 1,959,000	\$ —
Long-term debt, curr.	22,000	19,000
Accts. payable	1,088,000	1,367,000
Accruals	1,088,000	1,785,000
Income taxes	626,000	1,033,000
Curr. Liabilities	\$ 4,783,000	\$ 4,204,000
Long-term debt	111,000	734,000
Defer. inc. taxes	89,000	98,000
+ Common stock	1,239,000	1,270,000
Add. paid-in capital	1,771,000	2,105,000
Retained earnings	15,584,000	13,454,000
Total Liabilities & Shareholders' Equity	\$ 23,577,000	\$ 21,865,000

* At lower of cost (LIFO) or market.
Less accumulated depreciation and amortization.
+ \$0.50 par value.

Statistical Summary

% Income bef. Taxes to Sales	11.00	15.68
% Net Income to Sales	6.82	8.77
% Net Income to Equity	11.46	15.07
Sales to Inventories	4.48	7.36
Debt to Equity	0.11	0.04
Working Capital	\$ 12,847,000	\$ 11,037,000
Current Ratio	3.69	3.63
Shareholders' Equity	\$ 18,594,000	\$ 16,829,000

Quaker Fabric Corporation

(formerly Vertipile, Inc.)

941 Grinnell Street
P.O. Box 2139
Fall River, Massachusetts 02721
(508) 678-1951

Officers: Alan E. Symonds, chairman of the board & president; Neal J. McGrail, v.p.-finance, treasurer & chief financial officer; Thomas J. Finneran, v.p.-marketing; Cynthia L. Gordon, v.p., general counsel & secretary.

Directors: Alan E. Symonds, chairman; Leland E. Boren, Benjamin L. Cheney, Jonathan E. Cole, Edward Creiger, Dorsey Gardner.

Business Activities: Manufactures and distributes upholstery fabrics to the furniture and home furnishings industry. The Company's product line include flat and jacquard woven fabrics and knitted fabrics.

Plant Locations: Fall River, Massachusetts.

Subsidiaries:

Quaker Fabric Corporation of Fall River
Fall River, Massachusetts

Transfer Agent(s):

Fleet National Bank

Stock Exchange(s): American

Ticker Symbol: CFQ

Sales & Earnings

	Net Sales	Net Income †
1989	\$ 83,082,000	\$ (7,474,854)
1988	105,582,000	1,858,000
1987	106,273,000	2,268,000
1986	118,300,000	916,000
1985*	104,318,000	(1,840,000)

No. of Com. Shares ‡

	Earn. per Share †
1989	\$ 1,779,856
1988	1,724,418
1987	1,678,669
1986	1,652,592
1985*	1,583,519

(Loss)

* 53 weeks.

† Including extraordinary gains of \$96,000 (\$0.06 per share) in 1988 and \$623,000 (\$0.37 per share) in 1987.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	\$ —	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	—
1985	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	\$ 7,196,594	\$ 4.04
1988	14,445,779	8.38
1987	12,397,704	7.39
1986	10,064,990	6.09
1985	9,050,450	5.72

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*

Year ended	2/25/89	2/27/88
Net sales	\$ 83,081,704	\$ 105,582,128
Cost of sales	72,340,284	86,139,553
Expenses	13,598,237	14,617,762
Restruc. costs	2,310,000	—
Interest expense	2,227,045	2,629,907
Other expense (income)	(36,771)	85,568
Loss on sale of assets	246,863	—
Inc. (loss) bef. taxes	\$ (7,603,954)	\$ 2,109,338

Quaker Fabric Corporation

Income taxes (credit)	(129,100)	347,000
Net Income (Loss)	\$ (7,474,854)	\$ 1,762,338
Extraord. gain	—	96,000
Net Income (Loss) & extraord. gain	\$ (7,474,854)	\$ 1,858,338

* Included in Costs and Expenses, Depreciation and Amortization: \$2,286,303 in 1989 and \$2,700,422 in 1988.

Assets		
As of	2/25/89	2/27/88
Cash & temp. cash invest.	\$ 758,281	\$ 397,227
Accts. receiv., net	5,418,000	7,968,807
Notes & other receiv.	887,194	—
* Inventories	10,977,593	14,044,724
Prepaid expenses	1,346,382	1,157,107
Assets held for sale	—	3,858,000
Curr. Assets	\$ 19,387,450	\$ 27,425,865
# Fixed assets	15,456,031	12,662,359
Other assets	186,713	431,232
Assets held for sale	2,580,341	3,950,000
Total Assets	\$ 37,610,535	\$ 44,469,456

Liabilities		
Notes payable	\$ —	\$ 714,153
Long-term debt, curr.	1,055,480	906,620
Accts. payable & accruals	7,080,408	6,366,695
Accrued compensation	2,762,940	2,335,846
Restruct. costs	1,363,198	—
Income taxes	74,294	231,314
Curr. Liabilities	\$ 12,336,320	\$ 10,554,628
Long-term debt	16,480,776	17,491,076
Other liabilities	1,596,845	1,977,973
+ Common stock	17,912	17,300
Add. paid-in capital	5,338,736	5,113,679
Retained earnings	1,839,946	9,314,800
Total Liabilities & Shareholders' Equity	\$ 37,610,535	\$ 44,469,456

* At lower of cost (LIFO) or market.
Less accumulated depreciation.
+ \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.00
%Net Income to Sales	—	1.67
%Net Income to Equity	—	12.20
Sales to Inventories	7.57	7.52
Debt to Equity	3.42	1.32
Working Capital	\$ 7,051,130	\$ 16,871,237
Current Ratio	1.57	2.60
Shareholders' Equity	\$ 7,196,594	\$ 14,445,779

Quality Mills, Incorporated

(Acquired by Russell Corporation on December 6, 1988.)

P.O. Box 1107
Mount Airy, North Carolina 27030
(919) 789-6161

Officers: John E. Woltz, chairman of the board & chief exec. officer; Jack D. Grooms, president & treasurer; Howard O. Woltz, Jr., v.p. & general counsel; William M. Glenn, secretary-controller; Nicholas H. Freitag, v.p.-merchandising; Robert J. Lombino, v.p.-branded sales; James M. Gardiner, v.p.-branded sales; Ronald A. Ellis, v.p.-administration; Joe C. Glover, v.p.-contract sales; John M. Johnson, v.p.-apparel manufacturing; Ronald L. McKinney, v.p.-textile manufacturing.

Directors: John E. Woltz, Howard O. Woltz, Jr., Jack D. Grooms, L. Kimsey Mann, Ronald A. Ellis, John M. Johnson.

Business Activities: Manufactures and markets knit wearing apparel consisting of men's, ladies', and children's knit sportswear and playwear. Also manufactures and markets a variety of knit fabrics to the apparel trade.

Trademarks and/or Brand Names: Trend, Tweens, Toddy Winks, Trend Sport, Huntley of York, Cross Creek.

Plant Location(s): Mt. Airy, Carthage, Newport, N.C.; Hillsville, Va.

Sales & Earnings		
	Net Sales	Net Income †
1987	\$ 57,879,642	\$ 163,932
1986	50,325,594	2,040,736
1985	44,459,985	(799,417)
1984	48,641,010	1,476,134
1983	45,276,139	1,758,605
	No. of Com. Shares +	Earn. per Share ‡
1987	1,448,878	\$ —
1986	1,392,178	1.46
1985	1,331,778	—
1984	1,288,378	1.11
1983	1,254,778	1.37

(Loss)
† Including extraordinary gains of \$71,000 in 1987, \$1,018,000 (\$0.73 per share) in 1986, \$473,000 (\$0.36 per share) in 1984 and \$836,000 (\$0.65 per share) in 1983.
‡ Adjusted to reflect stock split.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock			
	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	—
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1

Common Stock Equity		
	Total Equity	Equity Per Share ‡
1987	\$ 5,516,645	\$ 3.81
1986	5,894,744	4.23
1985	3,718,636	2.79
1984	4,411,890	3.42
1983	2,854,531	2.27

‡ Adjusted to reflect stock split.

Income Account *		
Year ended	1/3/88	12/28/86
Net sales	\$ 57,879,642	\$ 50,325,594
Cost of sales	48,000,755	40,189,487
Expenses	7,333,746	7,253,794
Other expense (income)	7,950	(783,666)
Interest expense	1,573,259	1,625,243
Inc. bef. taxes	\$ 163,932	\$ 2,040,736
Inc. taxes	71,000	1,018,000
Net Income	\$ 92,932	\$ 1,022,736
Extraordinary gain	71,000	1,018,000
Net Income & extraord. gain	\$ 163,932	\$ 2,040,736

* Included in Costs and Expenses, Depreciation: \$1,196,467 in 1987 and \$1,048,536 in 1986.

Assets		
As of	1/3/88	12/28/86
Cash	\$ 163,127	\$ 182,721
Due from factor	356,112	—
* Inventories	16,540,777	14,076,677
Misc. receiv. on prepaid expenses	1,321,871	1,129,236
Current Assets	\$ 18,381,887	\$ 15,388,634
# Fixed assets	11,642,703	7,972,740
Other assets	329,822	271,531
Total Assets	\$ 30,354,412	\$ 23,632,905

Liabilities		
Long-term debt, curr.	\$ 1,650,456	\$ 1,689,433
Due to factor	—	4,642,095
Accts. payable	5,545,113	4,126,652
Accruals	1,689,375	1,999,621
Curr. Liabilities	\$ 8,884,944	\$ 12,457,801
Long-term debt	5,331,995	5,109,127
Obliq. under capital lease	25,424	171,233
Redem. preferred stock	10,595,404	—
+ Common stock	1,448,878	1,392,178
Add. paid-in capital	2,105,733	2,014,246
Retained earnings	1,962,034	2,488,320
Total Liabilities & Shareholders' Equity	\$ 30,354,412	\$ 23,632,905

* At lower of cost (LIFO) or market.
Less accumulated depreciation.
+ \$1 par value.

Statistical Summary

%Income before Taxes to Sales	0.28	4.06
%Net Income to Sales	0.16	2.03
%Net Income to Equity	1.68	17.35
Sales to Inventories	3.50	3.58
Debt to Equity	1.27	1.18
Working Capital	\$ 9,496,943	\$ 2,930,833
Current Ratio	2.07	1.24
Shareholders' Equity	\$ 5,516,645	\$ 5,894,744

Quiksilver, Inc.

1740 Monrovia Avenue
Costa Mesa, California 92627
(714) 645-1395

Officers: John C. Warner, chairman of the board & chief executive officer; Robert B. McKnight, Jr., president; A. Lawrence Crowe, v.p., treasurer, chief financial officer & secretary; Randall D. Hunt, vice president; Charles E. Crowe, vice president; Jon K. Hanour, vice president.

Directors: John C. Warner, chairman; Robert B. McKnight, Jr., A. Lawrence Crowe, Randall D. Hunt, Charles E. Crowe, Robert G. Kirby, Arthur L. Crowe.

Business Activities: Designs, arranges for the manufacture of, and distributes beachwear and casual clothing primarily for young men and boys, under the Quiksilver label, and surfing accessories under the Pro-Lite label.

Trademarks and/or Brand Names: Quiksilver, Pro-Lite.

Transfer Agent(s):

First Interstate Bank of California
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: QUIK (NASDAQ)

Raven Industries, Inc.

Sales & Earnings

	Net Sales	Net Income
1988	\$ 48,308,000	\$ 3,761,000
1987	30,074,000	2,363,000
1986	18,615,000	409,000
1985	12,887,000	206,000
1984	7,168,000	141,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	6,000,000	\$ 0.63
1987	5,823,000	0.41
1986+	6,000,000	0.33

+ Pro forma figures represent the results of operations as if the sale had occurred at the beginning of the fiscal year.
 ‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 14,294,000	\$ 2.38
1987	10,533,000	1.81
1986	1,207,000	0.20
1985	798,000	—
1984	652,000	—

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Oct. 31	1988	1987
Net sales	\$ 48,308,000	\$ 30,074,000
Cost of sales	30,452,000	17,997,000
Expenses:		
Selling, gen., & adm.	10,907,000	7,328,000
Royalty	—	69,000
Interest expense	575,300	120,000
Income before taxes	\$ 6,374,000	\$ 4,560,000
Income taxes	2,613,000	2,197,000
Net Income	\$ 3,761,000	\$ 2,363,000

* Included in Costs and Expenses, Depreciation and Amortization: \$431,000 in 1988 and \$262,000 in 1987.

Assets

As of Oct. 31	1988	1987
Cash	\$ 115,000	\$ —
Accts. receiv., net	7,339,000	4,205,000
*Inventories	8,624,000	9,380,000
Prepaid expenses	94,000	124,000
Current Assets	\$ 16,172,000	\$ 13,709,000
*Fixed assets	2,070,000	871,000
Trademark & consulting agree.	2,739,000	2,872,000
Other assets	87,000	160,000
Total Assets	\$ 21,068,000	\$ 17,612,000

Liabilities

	1988	1987
Notes payable	\$ 3,575,000	\$ 2,000,000
Accts. payable & accruals	3,040,000	3,018,000
Income taxes	159,000	1,987,000
Curr. Liabilities	\$ 6,774,000	\$ 7,005,000

Deferred inc. taxes	—	74,000
+Common stock	60,000	60,000
Add. paid-in capital	7,010,000	7,010,000
Retained earnings	7,224,000	3,461,000

Total Liabilities & Shareholders' Equity	\$ 21,068,000	\$ 17,612,000
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* At lower of cost (FIFO) or market.
 ‡ Less accumulated depreciation and amortization.
 + \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.19	15.16
%Net Income to Sales	7.79	7.86
%Net Income to Equity	26.31	22.43
Sales to Inventories	5.60	3.21
Debt to Equity	0.25	0.19
Working Capital	\$ 9,398,000	\$ 6,704,000
Current Ratio	2.39	1.96
Shareholders' Equity	\$ 14,294,000	\$ 10,533,000

Raven Industries, Inc.

205 E. 6th Street
 Sioux Falls, South Dakota 57117
 (605) 336-2750

Mailing address:
 P.O. Box 1007
 Sioux Falls, South Dakota 57117

Officers: Conrad J. Hoigaard, chairman of the board; David A. Christensen, president & chief executive officer; Gary L. Conradi, v.p.-corp. services; James A. Winker, v.p.-Applied Technology Div.; Ronald M. Moquist, exec. v.p.; Arnold J. Thue, v.p.-finance, treasurer & secretary.

Directors: John H. Burg, David A. Christensen, Conrad J. Hoigaard, W. Ray Laird, Jr., Robert G. May, John C. Skoglund.

Trademarks and/or Brand Names: Comfy, Comfy Ski, Swing West, Trails West, AFRC, Adver Blimp, Rally, Rufco, Canvea, Gore-Tex.

Plant Location(s): DeSmet, Huron, Salem, Parkston, Beresford, Sioux Falls, South Dakota; Albertsville, Alabama; St. Louis, Missouri.

Divisions:

Electronic Systems Division

Products include batch weighing, control and inventory systems; turbine helicopter auto-restart units, audio amplifiers, industrial annunciators, turbine engine speed controls, turbine engine test sets, FAA radio beacon monitor alarms, telemetry systems, U.S. Government electronic assemblies, electronic agricultural and industrial products and printed circuit assembly services.

Sportswear Division

Products include the 'Swing West' line of ski clothing, 'Raven' line of snowmobile suits and general outerwear, 'Comfy' down insulated garments, 'AFRC' cross country ski clothing, 'Gore-Tex' military and hunting clothes, as well as private label garments.

Plastics Division

Products include fiberglass and polyethylene tanks for agricultural, industrial and water conditioning use, custom fabricated fiberglass parts and designs for water and sewage treatment markets, and the construction and machinery markets, fiberglass pickup truck toppers, and fiberglass utility truck bodies.

Applied Technology Division

Products and services include plastics, tarpaulins, hot air sports balloons, high altitude research balloons, heavy load lifting balloons, decelerators (parachutes), contract engineering and research, hot air blimps, and AdverBlimps.

Subsidiaries:

Aerostar International, Inc.

Beta Raven, Inc.

Manufactures electronic control systems.

Glasstite, Inc.
 Dunnell, Minnesota
 Manufactures fiberglass pickup toppers and utility truck bodies.

Astoria Industries, Inc.
 Jackson, Minnesota
 Manufactures fiberglass utility truck bodies.

Transfer Agent(s):

Norwest Bank Minneapolis, N.A.
 Minneapolis, Minnesota

Norwest Trust Company
 New York, New York

Stock Exchange(s): American

Ticker Symbol: RAV

Sales & Earnings

	Net Sales	Net Income
1988	\$ 64,304,867	\$ 2,656,052
1987	52,303,056	2,121,678
1986	41,899,124	1,610,693
1985	44,581,925	2,608,899
1984	38,983,678	1,956,456

	No. of Com Share ‡	Earn. per Share ‡
1988	1,585,836	\$ 1.66
1987	1,577,857	1.34
1986	1,562,199	1.02
1985	1,548,039	1.66
1984	1,529,192	1.25

† Adjusted to reflect stock dividend.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1988	1987
Plastic division	\$ 19,123,000	\$ 14,669,000
Sportswear division	11,334,000	9,172,000
Applied Technology division	21,294,000	18,820,000
Electronic systems division	12,554,000	9,642,000
Total	\$ 64,305,000	\$ 52,303,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 0.043	—	—
1987	0.042	—	—
1986	0.042	—	—
1985	0.375	—	—
1984	0.32	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 19,170,349	\$ 12.09
1987	17,154,516	10.87
1986	15,658,863	10.02
1985	14,666,736	9.47
1984	12,591,367	8.23

Income Account*

Year ended Jan. 31	1988	1987
Net sales	\$ 64,304,867	\$ 52,303,056
Cost of sales	30,013,247	40,000,445
Expenses	9,308,143	8,052,922
Interest expense	656,980	468,771
Other income	(63,555)	(137,760)
Income before taxes	\$ 4,390,052	\$ 3,918,678

Raven Industries, Inc.

Income taxes	1,734,000	1,797,000
Net Income	\$ 2,656,052	\$ 2,121,678

* Included in Costs and Expenses, Depreciation: \$2,187,752 in 1988 and \$1,663,085 in 1987.

Assets		
As of Jan. 31	1988	1987
Cash	\$ 1,017,506	\$ 233,517
Accts. receiv., net	8,187,097	6,372,802
*Inventories	12,210,961	11,283,858
Prepaid expenses	379,832	525,436
Current Assets	\$ 21,795,396	\$ 18,415,613
#Fixed assets	9,672,288	7,854,868
Other assets	2,452,772	2,576,221
Total Assets	\$ 33,920,456	\$ 28,846,702

Liabilities		
Long-term debt, curr.	\$ 1,222,242	\$ 957,472
Accts. payable	3,903,348	2,617,824
Accruals	3,453,239	2,880,977
Customer advances	219,780	164,494
Curr. Liabilities	\$ 8,798,609	\$ 6,620,767
Long-term debt	5,254,498	4,485,419
Deferred income taxes	697,000	586,000
+Common stock	1,585,836	1,577,857
Add. paid-in capital	2,595,384	2,563,376
Retained earnings	14,989,129	13,013,283

Total Liabilities & Shareholders' Equity	\$ 33,920,456	\$ 28,846,702
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* At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ \$1 par value.

Statistical Summary		
%Income bef. Taxes to Sales	6.83	7.49
%Net Income to Sales	4.13	4.06
%Net Income to Equity	13.86	12.37
Sales to Inventories	5.27	4.64
Debt to Equity	0.34	0.32
Working Capital	\$ 12,996,787	\$ 11,794,846
Current Ratio	2.48	2.78
Shareholders' Equity	\$ 19,170,349	\$ 17,154,516

Raytech Corporation

100 Oakview Drive
Trumbull, Connecticut 06611
(203) 372-7544

(formerly Raymark Corporation) (25.0% owned by Echlin, Inc.)

Officers: Craig R. Smith, president & chief exec. officer; Albert A. Canosa, v.p., treasurer & chief financial officer; James J. Ryan, v.p.-human resources; LeGrande L. Young, v.p., secretary & gen. counsel; Donald R. Gorsuch, v.p.-business development.

Directors: Craig R. Smith, Donald P. Miller, Robert M. Gordon, Dennis G. Heiner, John S. Ryder, Robert B. Sims, W. Kenneth Thies.

Business Activities: Manufactures and markets energy absorption and transmission products, fastening systems and custom engineered materials. These products are utilized in the automotive, farm implement, truck and bus, earthmoving, construction, appliance, hardware, mining, petrochemical, and energy industries.

Textile Plant Locations: Marshville, North Carolina; Stratford, Connecticut; Manheim, Pennsylvania

Textile Division:

Raymark Industries, Inc.

Dry Clutch and Brake Unit

Manufactures and markets molded and woven clutch facings, conventional and non-asbestos yarns and sintered buttons to the domestic international original equipment and replacement markets of the automotive, truck and bus industries.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
One New York Plaza
New York, New York 10081

Stock Exchange(s): New York

Ticker Symbol: RAY

Sales & Earnings

	Net Sales ‡	Net Income †
1987	\$ 132,451,000	\$ 6,639,000
1986	113,536,000	4,688,000
1985	112,419,000	(18,171,000)
1984	129,152,000	(41,931,000)
1983	110,326,000	(11,127,000)
	No. of Com. Share +	Earn. per Share † +
1987	3,879,816	\$ 1.85
1986	2,955,306	1.59
1985	2,860,806	—
1984	2,860,806	—
1983	2,758,606	—

(Loss)

‡ Of continuing operations only.

† Including extraordinary gains of \$1,423,000 (\$0.40 per share) in 1987 and \$1,662,000 (\$0.56 per share) in 1986.

+ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1987	\$ 29,153,000	\$ 7.51
1986	15,527,000	5.25
1985	3,633,000	1.27
1984	20,024,000	7.00
1983	62,349,000	22.60

† Based on the average number of shares outstanding.

Income Account * (000's)

Year ended	12/27/87	12/28/86
Net sales	\$ 132,451	\$ 113,536
Cost of sales	104,138	90,292
Expenses	20,689	16,661
Gain on pension plan term.	(4,194)	—
Plant reloc. exp.	5,352	—
Income from joint venture	(2,774)	(1,576)
Asbestos rel. exp.	888	936
Other income	(1,095)	(128)
Interest expense	2,442	2,727
Income bef. taxes	\$ 7,005	\$ 4,624
Income taxes	1,789	1,598
Net Income	\$ 5,216	\$ 3,026
Extraord. gain	1,423	1,662
Net Income & extraord. gain	\$ 6,639	\$ 4,688

* Included in Costs and Expenses, Depreciation: \$5,161,000 in 1987 and \$4,762,000 in 1986.

Assets

As of	12/27/87	12/28/86
Cash	\$ 2,219	\$ 3,749
Restricted cash	552	545
Accts. receiv., net	17,153	15,159
*Inventories	24,966	22,779
Other	2,242	2,893
Current Assets	\$ 47,132	\$ 45,125
#Fixed assets	31,769	31,396
Invest. in affil.	12,665	7,358
Other assets	2,342	2,162
Total Assets	\$ 93,908	\$ 86,041

Liabilities (000's)

Long-term debt, curr.	\$ 7,065	\$ 6,524
Accts. payable	10,051	5,550
Accruals	22,780	24,848
Curr. Liabilities	\$ 39,896	\$ 36,922
Long-term debt	10,354	17,898
Other liab.	14,505	15,694
+Common stock	3,129	2,987
Common stock warrants	3,998	3,072
Add. paid-in capital	55,462	53,447
Retained earnings (deficit)	(39,617)	(46,256)
Cum. trans. adjust.	6,181	2,277
Total Liabilities & Shareholders' Equity	\$ 93,908	\$ 86,041

* At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ \$1 par value.

Statistical Summary

%Income before taxes to Sales	5.29	4.07
%Net Income to Sales	3.94	2.67
%Net Income to Equity	17.89	19.49
Sales to Inventories	5.31	4.98
Debt to Equity	0.06	1.57
Working Capital	\$ 7,236,000	\$ 8,203,000
Current Ratio	1.18	1.22
Shareholders' Equity	\$ 29,153,000	\$ 15,527,000

Reebok International Ltd.

150 Royall Street
Canton, Massachusetts 02021
(617) 821-2800

Officers: Paul B. Fireman, chairman & chief exec. officer; C. Joseph LaBonte, president & chief operating officer; Paul R. Duncan, sr. v.p. & chief financial officer; John B. Douglas, III, v.p. & gen. counsel; John H. Duerden, v.p. & pres.-Reebok International Division; D. Dwight Harshbarger, sr. v.p.-human resources; Frank J. O'Connell, sr. v.p. & pres.-Reebok Brands (North America); Robert E. Slattery, v.p. & pres.-The Rockport Company; Angel R. Martinez, v.p.-new business development; Richard L. Bryant, treasurer.

Directors: Paul B. Fireman, chairman; C. Joseph LaBonte, Frank A. Farrant, William M. Marcus, Geoffrey Nunes, John A. Queich, R. Stephen Rubin, Linda J. Wachner, Richard G. Lesser.

Business Activities: Designs, develops and markets athletic footwear, casual and dress comfort shoes, walking shoes, and sportswear and accessories. Also operates nine factory outlet-type retail stores which sell the Company's products.

Trademarks and/or Brand Names: Reebok, Weebok, Rockport, RocSports, SuperSports, DresSports, ProWalker, Metaphors, Reebok Sport, Avia, Cantilever, Ellesee, ERS, Visible ERS, For Athletic Use Only, Charrat.

Divisions and Subsidiaries:

Footwear Division
Apparel Division
Canton, Massachusetts

The Rockport Company
Marlboro, Massachusetts

International Division
Bolton, England

Weebok Division
Markets non-athletic shoes for infants and children under the Weebok trademark.

Reebok Canada, Inc.
Distributes the Company's products in Canada.

Avia Group International, Inc.
Designs, develops and markets athletic footwear, casual and walking shoes, and hiking boots.

Ellesse U.S.A., Inc.
Designs, develops and markets fashionable sportswear and athletic footwear.

Transfer Agent(s):

The First National Bank of Boston
Shareholder Services Division
P.O. Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): New York

Ticker Symbol: RBK

Sales & Earnings

	Net Sales	Net Income
1988	\$ 1,785,935,000	\$ 137,002,000
1987	1,389,196,000	165,200,000
1986	919,401,000	132,134,000
1985	306,969,000	38,962,000
1984	66,022,000	6,145,000
	No. of Com. Shares †	Earn. per Share †
1988	113,767,000	\$ 1.20
1987	111,234,000	1.49
1986	103,784,000	1.27
1985	85,896,000	0.45
1984	77,706,000	0.08

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 0.30	—	—
1987	0.20	—	—
1986	—	—	3-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1988	\$ 690,702,000	\$ 6.07
1987	584,763,000	5.26
1986	297,601,000	2.87
1985	88,735,000	1.03
1984	6,832,000	0.09

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1988	1987
Net sales	\$ 1,785,935	\$ 1,389,196
Other income	5,282	10,240
Total income	\$ 1,791,217	\$ 1,399,436
Cost of sales	1,122,226	808,991
Selling expenses	260,891	164,896
Gen. & adm. expenses	149,195	102,191
Amort. of intangibles	14,216	12,453
Interest expense	14,129	4,771
Income before taxes	\$ 230,560	\$ 306,134
Income taxes	93,558	140,934
Net Income	\$ 137,002	\$ 165,200

* Included in Costs and Expenses, Depreciation and Amortization: \$8,850,000 in 1988 and \$5,777,000 in 1987.

Assets
(000's)

As of Dec. 31	1988	1987
Cash	\$ 99,349	\$ 60,167
Accts. receiv., net	276,204	204,676
Deferred inc. taxes	26,293	19,534
*Inventories	301,920	240,898
Prepaid expenses	9,905	10,821
Current Assets	\$ 713,671	\$ 536,096
#Fixed assets	74,127	64,509
Other assets	11,145	4,688
Intangibles	264,506	251,490
Restricted cash	—	11,583
Total Assets	\$ 1,063,449	\$ 868,366

Liabilities
(000's)

	1988	1987
Notes payable	\$ 75,208	\$ 54,626
Long-term debt, curr.	404	399
Interest-bearing accts. pay.	31,878	57,255
Accts. payable & accruals	105,247	117,817
Income taxes	34,634	38,272
Dividends payable	8,490	—
Curr. Liabilities	\$ 255,861	\$ 268,369
Long-term debt	111,260	10,570
Cap. lease oblig.	1,402	2,042
Deferred inc. taxes	4,224	2,622
+Common stock	1,129	1,125
Add. paid-in capital	266,564	263,877
Retained earnings	424,002	320,886
Unearned comp.	(2,808)	(5,371)
For. curr. trans. adjust.	1,815	4,246
Total Liabilities & Shareholders' Equity	\$ 1,063,449	\$ 868,366

* At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ \$0.01 par value.

Statistical Summary

	1988	1987
%Income bef. Taxes to Sales	12.91	22.04
%Net Income to Sales	7.67	11.89
%Net Income to Equity	19.84	28.25
Sales to Inventories	5.92	5.77
Debt to Equity	0.27	0.12
Working Capital	\$ 457,810,000	\$ 267,727,000
Current Ratio	2.79	2.00
Shareholders' Equity	\$ 690,702,000	\$ 584,763,000

Rocky Mount Undergarment Co., Inc.

1536 Boone Street
P.O. Box 1280
Rocky Mount, North Carolina 27802
(919) 446-6161

Empire State Building, Suite 3401
350 Fifth Avenue
New York, New York 10118
(212) 736-8345

Officers: Kimball H. Dunton, chairman of the board; Herbert Greenberg, joint chief exec. officer & president; Joan A. Greenberg, joint chief exec. officer & sr. v.p.; Murray Rothblatt, exec. v.p.; Don E. Holt, Sr., v.p. & dir.-manufacturing; Charles Kralick, v.p.-finance & chief financial officer; Julian Roodberg, v.p.; Stephen Landes, secretary.

Directors: Kimball H. Dunton, chairman; Herbert Greenberg, Joan A. Greenberg, Murray Rothblatt, Stephen Landes, Ian Davis, Stephen Greenberg, Sidney Scott, Jr..

Business Activities: Manufactures and markets basic and fashion underwear for women, men and children and women's lightweight control briefs.

Trademarks and/or Brand Names: Rocky Mount, Stretch Mates, Generation Two, Blossoms, Cotton Blossom, Orange Blossom, Hang Ten®, The California Raisins®, Dimitri®. *Under licensing agreement.

Plant Locations: Rocky Mount, Robersonville, Franklin, Ahoskie, North Carolina.

Transfer Agent(s):

American Stock Transfer & Trust Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RMUC (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1988	\$ 41,893,000	\$ (657,000)
1987	39,908,000	(1,366,000)
1986	40,997,000	(2,408,000)
1985	39,505,000	452,000
1984	32,167,000	1,530,000
	No. of Com. Shares +	Earn. per Share +
1988	2,989,000	\$ —
1987	2,934,000	—
1986	2,923,000	—
1985	2,628,000	0.17
1984	2,186,000	0.70

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1988	\$ 7,534,000	2.52
1987	7,563,000	2.58
1986	8,855,000	3.03
1985	11,263,000	4.29
1984	6,999,000	3.20

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Rocky Mount Undergarment Co., Inc.

Income Account *

Year Ended Dec. 31	1988	1987
Net sales	\$ 41,893,174	\$ 39,908,199
Cost of sales	33,693,054	32,702,597
Expenses	5,939,201	6,114,007
Financing costs	1,732,760	1,264,015
Other income	(31,858)	(43,280)
Unusual items	1,240,537	1,236,877
Loss before taxes	\$ (680,520)	\$ (1,366,017)
Tax credit	(23,300)	—
Net Loss	\$ (657,220)	\$ (1,366,017)

* Included in Costs and Expenses. Depreciation and Amortization: \$565,681 in 1988 and \$599,609 in 1987.

Assets

As of Dec. 31	1988	1987
Cash	\$ 182,067	\$ 74,668
Accts. receiv., net	173,266	123,368
*Inventories	7,878,090	9,030,989
Prepaid expenses	69,183	107,663
Refund. inc. taxes	—	102,519
Current Assets	\$ 8,302,606	\$ 9,439,207
#Fixed assets	2,690,855	2,932,644
Other assets	174,339	243,543
Total Assets	\$ 11,167,800	\$ 12,615,394

Liabilities

Long-term debt, curr.	\$ 26,043	\$ 26,696
Accts. payable	1,504,082	1,882,211
Accruals	1,429,951	1,389,915
Due to factor	—	1,056,397
Current Liabilities	\$ 2,960,076	\$ 4,355,219
Long-term debt	673,649	696,692
+Common stock	33,979	29,479
Add. paid-in capital	7,256,526	6,559,776
Retained earnings	317,008	974,228
Treasury stock	(73,438)	—
Total Liabilities & Shareholders' Equity	\$ 11,167,800	\$ 12,615,394

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$0.01 par value.

Statistical Summary

Sales to Inventories	5.32	4.42
Debt to Equity	0.09	0.10
Working Capital	\$ 5,342,530	\$ 5,083,988
Current Ratio	2.80	2.17
Shareholders Equity	\$ 7,534,075	\$ 7,563,483

Subsidiaries:

American & Efrid, Inc.
Mount Holly, North Carolina
(704) 827-4311
Primarily a manufacturer of industrial sewing thread. In addition, produces yarn made from both natural and synthetic fibers. A&E operates 11 plants in North Carolina.

Harris-Tetter, Inc.
P.O. Box 33129
Charlotte, North Carolina 28233
(704) 567-3000
Operates 123 supermarkets in North and South Carolina, Tennessee and Virginia.

Jordan Graphics, Inc.
P.O. Box 668306
Charlotte, North Carolina 28266
(704) 394-2121
Produces and distributes a broad line of business forms and pressure sensitive labels.

Ruddick Investment Company (RIC)
2000 Two First Union Center
Charlotte, North Carolina 28282
(704) 333-7144
Venture capital investments.

Transfer Agent(s):

Wachovia Bank & Trust Co., N.A.
Winston-Salem, North Carolina

Stock Exchange(s): American

Ticker Symbol: RDK

Sales & Earnings

	Net Sales +	Net Income
1988*	\$ 1,103,867,000	\$ 18,379,000
1987	971,353,000	14,365,000
1986	883,641,000	13,425,000
1985	881,841,000	12,559,000
1984	730,060,000	13,221,000
	No. of Com. Shares ‡	Earn. per Share ‡
1988*	9,736,725	\$ 1.89
1987	9,590,596	1.50
1986	9,596,279	1.40
1985	9,645,114	1.30
1984	8,845,114	1.49

* 53 weeks.

+ Of continuing operations only.

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business (000's)

	1988	1987
American & Efrid Mills	\$ 158,382	\$ 124,112
Harris-Tetter	894,035	798,843
Super Markets	51,450	48,398
Jordan Graphics, Inc.	—	—
Total	\$ 1,103,867	\$ 971,353

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1988	\$ 0.57	—	—
1987	0.45	—	—
1986	0.42	—	2-for-1
1985	0.38	—	—
1984	0.43	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1988	\$ 143,232,000	\$ 14.71
1987	130,260,000	13.58
1986	117,597,000	12.25
1985	108,165,000	11.21
1984	99,277,000	11.22

‡ After allowing for preference stock at par value.

Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended	10/2/88 (53 weeks)	9/27/87
Net sales	\$ 1,103,867,000	\$ 971,353,000
Cost of sales	880,697,000	761,524,000
Expenses	200,947,000	174,845,000
Loss (earn.) of unconsol. subsid.	567,000	(183,000)
Interest expense	8,376,000	5,231,000
Other expense	2,696,000	2,424,000
Income before taxes	\$ 30,584,000	\$ 27,512,000
Income taxes	12,205,000	13,147,000
Net Income	\$ 18,379,000	\$ 14,365,000

* Included in Costs and Expenses. Depreciation: \$20,182,000 in 1988 and \$17,647,000 in 1987.

Assets

As of	10/2/88	9/27/87
Cash	\$ 10,161,000	\$ 10,389,000
Accts. receiv., net	35,086,000	33,296,000
*Inventories	117,518,000	90,492,000
Other assets	6,066,000	6,653,000
Current Assets	\$ 168,831,000	\$ 140,830,000
#Fixed assets	195,079,000	139,704,000
Investments & other assets	38,399,000	23,487,000
Total Assets	\$ 402,309,000	\$ 304,021,000

Liabilities

Long-term debt, curr.	\$ 2,515,000	\$ 3,107,000
Dividends payable	3,112,000	1,976,000
Accts. payable	85,465,000	56,755,000
Income taxes	2,284,000	1,884,000
Accruals	28,424,000	22,298,000
Curr. Liabilities	\$ 121,800,000	\$ 86,020,000
Long-term debt	100,569,000	59,546,000
Deferred inc. taxes	35,736,000	27,193,000
+Preference stock	972,000	1,002,000
+Common stock	9,348,000	9,336,000
Add. paid-in capital	15,734,000	15,716,000
Retained earnings	118,150,000	105,208,000

Total Liabilities & Shareholders' Equity \$ 402,309,000 \$ 304,021,000

* At lower of cost (LIFO) or market.

Less accumulated depreciation.

+ \$5 par value.

++ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.77	2.83
%Net Income to Sales	1.66	1.48
%Net Income to Equity	12.75	10.94
Sales to Inventories	9.39	10.73
Debt to Equity	0.71	0.48
Working Capital	\$ 47,031,000	\$ 54,810,000
Current Ratio	1.39	1.64
Shareholders' Equity	\$ 144,204,000	\$ 131,262,000

Ruddick Corporation

2000 Two First Union Center
Charlotte, North Carolina 28282
(704) 372-5404

Officers: R. Stuart Dickson, chairman of the board; Alan T. Dickson, president; Richard N. Bridgen, vice president-finance; James D. Miller, treasurer; Donald B. Williford, asst. treasurer & secretary; James O. Stephens, asst. secretary; Mickey F. Frye, asst. treasurer.

Directors: R. Stuart Dickson, chairman; Alan T. Dickson, Thomas M. Belk, Hugh L. McColl, Jr., James E. S. Hynes, Roddey Dowd, Jord H. Jordan, Jr., John C. Hutchens, E. C. Wall, Jr..

Business Activities: A holding company, operating through its subsidiaries in the production of sales yarns and industrial sewing threads (American & Efrid Inc.), production of business forms (Jordan Graphics, Inc.), management of supermarkets in four southeastern states (Harris Tetter, Inc.), and investment of venture capital (Ruddick Investment Company).

Russ Togs, Inc.

1411 Broadway
New York, New York 10018
(212) 354-0700

Officers: Eli L. Rouso, president; Herman Saporta, exec. v.p.; Mortimer F. Zimmerman, v.p. & treasurer; Louis Shantzer, controller & secretary; Richard J. Lewis, asst. controller.

Directors: Emanuel Klimpl*, Harvey Rosensweig, Eli L. Rouso*, Irving L. Rouso*, Robert S. Rubin, Herman Saporta*, Anthony F. Scarpa, Alan P. Sussman.

* Member of the Executive Committee

Business Activities: Manufactures moderately priced sportswear and dresswear for women and girls, in regular, petite and large sizes, as well as shirts, sweaters and pants for men and boys.

Trademarks and/or Brand Names: Russ, Russ Girl, Crazy Horse, Russ Teen, Sutton, Bud Berna, Russ Petites, Russ, Crazy Horse Young Junior, Ms. Russ, Crazy Horse Girl, Ashley Reid, Russ Studio, New Attitude, Dispatch, Weekender, Highlander, Crazy Horse II, Avenues, Pro-Portioned to Fit, CBA, Manhattan*.

*Under a licensing agreement.

Plant Location(s): Long Island City, N.Y.; Paterson, N.J.; Albany, Burkesville, Jamestown, Ky.; Byrdstown, Livingston, Sparta, Tenn.

Divisions and Subsidiaries:

Russ Division

1411 Broadway
New York, New York 10018

Manufactures, designs and markets sportswear separates and coordinates for misses under the brand names of "Russ," "Russ Petites," "Ms. Russ," and "Russ Studio."

Russ Girl Division

1411 Broadway
New York, New York 10018

Manufactures children's sportswear for the 6 through 15 age group, under the brand names "Russ Girl," "Russie," and "Russ Teen."

Sutton Shirt Companies

350 Fifth Avenue
New York, New York
(212) 279-4815

Manufactures popularly priced men's and boys' woven and knit dress shirts, sport shirts and sweaters, under the names "Sutton" and "Bud Berna" and under licenses to Rawlings and Brut.

Crazy Horse Division

525 7th Avenue
New York, New York 10018

Manufactures and imports contemporary sportswear for the junior or young miss under the brand name "Crazy Horse," and for girls under the names "Crazy Horse Girl," and "Crazy Horse Teen."

New Attitude

1411 Broadway
New York, New York 10018

Russ Financial Division

Acquisition:

Cy Beer Apparel Corp.

Manufactures men's and boys' pants.

Transfer Agent(s):

Manufacturers Hanover Trust Company

4 New York Plaza
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: RTS

Sales & Earnings

	Net Sales ‡	Net Income
1989	\$ 260,169,000	\$ 2,329,000
1988	248,024,000	9,290,000
1987	245,697,000	13,819,000
1986	248,042,000	10,986,000
1985	242,856,000	11,113,000

	No. of Com. Shares #	Earn. per Share #
1989	7,235,000	\$ 0.29
1988	7,477,000	1.20
1987	7,561,000	1.79
1986	7,689,000	1.38
1985	7,681,000	1.39

‡ Of continuing operations.

Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1989	\$ 0.60	—	—
1988	0.57 2/3	—	—
1987	0.50 2/3	—	—
1986	0.50 2/3	—	—
1985	0.50 2/3	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1989	\$ 95,308,000	\$ 13.09
1988	96,340,000	13.34
1987	95,521,000	12.67
1986	85,930,000	11.39
1985	81,250,000	10.57

‡ After allowing for preferred stock at liquidation preference value of \$40 per share.

† Adjusted to reflect stock split.

Income Account*

Year ended	1/28/89	1/30/88
Net sales	\$ 260,169,000	\$ 248,024,000
Other income	490,000	2,298,000
Total income	\$ 260,659,000	\$ 250,322,000
Cost of sales	209,992,000	190,169,000
Expenses	39,887,000	41,312,000
Interest expense	3,047,000	1,535,000
Income before taxes	\$ 7,733,000	\$ 17,306,000
Income taxes	3,011,000	7,019,000
Inc.-cont. oper.	\$ 4,722,000	\$ 10,287,000
Loss-discont. oper.	(2,393,000)	(997,000)
Net Income	\$ 2,329,000	\$ 9,290,000

* Included in Costs and Expenses, Depreciation and Amortization: \$1,807,000 in 1989 and \$1,985,000 in 1988.

Assets

As of	1/28/89	1/30/88
Cash	\$ 6,840,000	\$ 8,995,000
Accts. receiv., net	35,608,000	38,970,000
*Inventories	81,275,000	75,716,000
Income tax refunds	1,396,000	286,000
Prepaid expenses & other curr. assets	7,701,000	11,436,000
Current Assets	\$ 132,820,000	\$ 135,403,000
*Fixed assets	10,579,000	12,642,000
Exc. of cost over assets acq.	2,426,000	—
Other assets	5,608,000	3,478,000
Total Assets	\$ 151,433,000	\$ 151,523,000

Liabilities

Long-term debt, curr. Bankers acceptances payable	\$ 758,000	\$ 66,000
Accts. payable	22,805,000	15,642,000
Accruals	11,880,000	16,778,000
	10,214,000	13,812,000
Curr. Liabilities	\$ 45,657,000	\$ 46,298,000
Long-term debt	3,957,000	1,158,000
Deferred inc. taxes	1,714,000	1,676,000
+Preferred stock	235,000	296,000
++Common stock	7,866,000	7,805,000
Retained earnings	100,394,000	102,680,000
Treasury stock	(8,390,000)	(8,390,000)
Total Liabilities & Shareholders' Equity	\$ 151,433,000	\$ 151,523,000

* At lower of cost (FIFO) or market which represents net realizable value.

Less accumulated depreciation and amortization.

+ \$1 par value; Series \$1.90.

++ \$1 par value.

Statistical Summary

%Net Income to Equity	2.33	9.07
Sales to Inventories	3.20	3.28
Debt to Equity	0.27	0.16
Working Capital	\$ 87,163,000	\$ 89,105,000
Current Ratio	2.91	2.92
Shareholders' Equity	\$ 100,105,000	\$ 102,391,000

Russell Corporation

P.O. Box 272
Alexander City, Alabama 35010
(205) 329-4000

Officers: Eugene C. Gwaltney, chairman of the board; Dwight L. Carlisle, Jr., president & chief exec. officer; H. Scott Howell, exec. v.p.-apparel group; William P. Dickson, Jr., v.p.-personnel & industrial relations; James D. Nabors, v.p., chief financial officer & treasurer; Larry E. Workman, controller; Fletcher D. Adamson, v.p.-research; Steve R. Forehand, secretary; J. T. Taunton, Jr., pres.-fabrics division; W. J. Spires, v.p.-services; J. Franklin Foy, v.p.-dyeing & finishing; Gerald D. McGill, group v.p.-textile operations; John C. Adams, president-knit apparel division; Frank K. Hall, Jr., president-athletic division; Donald F. Logan, v.p.-sales & marketing, fabrics division; Marvin Seals, III, v.p.-apparel marketing; Ward Wilson, v.p.-apparel merchandising; Henry C. Willis, group v.p.-apparel operations; Thomas R. Johnson, Jr., v.p.-greige manufacturing; K. Roger Holliday, asst. treasurer.

Directors: Frank K. Hall, Jr., Dwight L. Carlisle, Jr.*, H. Scott Howell, Emil Hess, Eugene C. Gwaltney*, Glenn Ireland, II, Crawford T. Johnson, III, Benjamin Russell, John Russell Thomas, T. Harvey Mathis, Herschel M. Bloom, James D. Nabors*.

* Member of the Executive Committee

Business Activities: Engaged in the manufacture of athletic clothing, with a range of uniforms for people of all ages and for all major sports; produces basic knit leisurewear and a line of knit and woven fabrics.

Trademarks and/or Brand Names: Russell Athletic, Jerzees, Cross Creek.

Plant Location(s): Alexander City, Sylacauga, Dadeville, LaFayette, Montgomery, Ashland, Geneva, Columbia, Alabama; Crestview, Milton, Marianna, Niceville, Florida; Cumming, Habersham, Georgia.

Divisions:

Athletic Division

Designs and markets high-quality athletic team uniforms and active/leisure wear.

Knit Apparel Division

Designs and markets a wide variety of apparel, including styled fleeced sportswear, such as shirts, pullovers and jackets, and lightweight sportswear for men, women, and boys.

Russell Corporation

Fabrics Division

Designs and markets quality woven fabrics of cotton and blends of cotton and man-made fibers in a wide variety of patterns, colors and constructions for sale primarily to manufacturers of men's, women's and children's light-weight apparel.

Subsidiaries:

Habersham Mills
Habersham, Georgia 30544

Russell International
Belgium

Acquisition:

Quality Mills, Inc.
P.O. Box 1107
Mt. Airy, North Carolina 27030
(919) 789-6161

Manufactures and markets high-quality knit products.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

First Alabama Bank of Montgomery, N.A.
Commerce Street
Montgomery, Alabama 36104

Stock Exchange(s): New York, Pacific

Ticker Symbol: RML

Sales & Earnings

	Net Sale	Net Income
1988	\$ 531,136,181	\$ 53,728,382
1987	479,880,344	46,333,926
1986	437,519,990	43,282,046
1985*	385,432,731	29,612,221
1984	353,024,665	27,912,768

	No. of Com. Shares #	Earn. per Share +
1988	40,359,911	\$ 1.36
1987	39,050,000	1.17
1986	39,214,000	1.08
1985*	39,573,000	0.74
1984	39,476,000	0.70

* 53 weeks.

Adjusted to reflect stock split.

+ Based on the average number of share outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	\$ 0.23	—	—
1987	0.192	—	—
1986	0.16	—	2-for-1
1985	0.15	—	—
1984	0.15	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 345,086,000	\$ 8.55
1987	279,611,063	7.16
1986	248,347,302	6.33
1985	219,733,070	5.55
1984	195,909,591	4.96

‡ Adjusted to reflect stock split.

Income Account*

Year ended	12/31/88	1/2/88
Net sales	\$ 531,136,181	\$ 479,880,344
Cost of sales	344,109,384	316,738,365
Expense	91,346,229	78,282,790
Interest expense	8,787,895	6,891,788
Other expense (income)	1,099,744	(2,177,525)
Income before taxes	\$ 85,792,929	\$ 80,144,926
Income taxes	32,028,000	33,811,000
Net Income	\$ 53,764,929	\$ 46,333,926

* Included in Costs and Expenses, Depreciation and Amortization: \$33,367,722 in 1988 and \$26,039,114 in 1987.

Assets

As of	12/31/88	1/2/88
Cash	\$ 2,249,139	\$ 1,768,223
Temporary investments	10,319,031	56,620,393
Accts. receiv. net	99,875,740	88,802,424
*Inventories	94,426,476	70,304,242
Prepaid expenses	1,466,608	727,929
Fut. inc. tax benefits	1,595,166	816,482
Current Assets	\$ 209,932,160	\$ 219,039,693
#Fixed assets	321,901,250	215,773,520
Other assets	29,135,181	10,438,698
Total Assets	\$ 560,968,591	\$ 445,251,911

Liabilities

Commercial paper	\$ 30,466,000	\$ —
Long-term debt, curr.	4,497,845	24,963,699
Accts. payable & accruals	45,182,590	26,447,912
Income taxes	5,522,943	4,697,139
Curr. Liabilities	\$ 85,666,378	\$ 56,108,750
Long-term debt	84,303,846	73,545,024
Deferred income	3,099,452	1,888,253
Deferred inc. taxes	37,090,523	34,098,821
+Redeem. pref. stock	5,719,430	—
+Common stock	414,200	401,016
Add. paid-in capital	48,687,006	26,910,716
Retained earnings	314,952,811	270,218,334
Unreal. loss on noncurr. invest.	(3,276,608)	(4,169,558)
Treasury stock	(15,691,442)	(13,749,445)
Total Liabilities & Shareholders' Equity	\$ 560,968,591	\$ 445,251,911

* At lower of cost (LIFO) or market.

Less accumulated depreciation and amortization.

+ \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	16.15	16.70
%Net Income to Sale	10.12	9.66
%Net Income to Equity	15.58	16.57
Sales to Inventories	5.62	6.83
Debt to Equity	0.26	0.35
Working Capital	\$ 124,262,782	\$ 162,930,943
Current Ratio	2.45	3.90
Shareholders' Equity	\$ 345,085,967	\$ 279,611,063

Salant Corporation

1155 Avenue of the Americas
New York, New York 10036
(212) 221-7500

Officers: Ray W. Williams, chairman & chief executive officer; Nicholas P. DiPaolo, president & chief operating officer; John S. Rodgers, vice chairman, secretary & general counsel; Martin F. Tynan, v.p.-finance & treasurer.

Directors: John S. Rodgers, Walter J. Fried, John W. Mettler, III, Robert S. Ruwittch, Marvin Schiller, Ray W. Williams, Nicholas P. DiPaolo.

Business Activities: Engaged in the design, manufacture and sale of apparel and accessories for men, women and children. Its principal products are slacks, jeans, shirts, sportswear, and accessories for men and women, and sleepwear for children. Also operates 85 factory outlet stores in 26 states, principally in the Northeast and South.

Trademarks and/or Brand Names: Anne Klein®, Anne Klein for New Aspects®, Berkley, Bronzoni®, dr. Denton, Harness House, John Henry, Lady Manhattan, Liberty of London®, Manhattan, Perry Ellis®, Perry Ellis America®, Peters & Ashley, Portfolio by Perry Ellis®, SportThomson, Thomson, Vera, Yves Saint Laurent®.

*Under licensing agreement.

Plant Locations: Trumann, Arkansas; Americus, Gibson, Harlem, Martinez, Millen, Thomson, Georgia; Scranton, Pennsylvania; Obion, Union City, Tennessee; Carrizo Springs, Eagle Pass, Texas; Grafton, West Virginia; Puerto Rico; Coahuila (2), Mexico.

Divisions and Subsidiaries:

Obion Company
1333 Broadway
New York, New York 10018
Produces children's sleepwear and playwear.

Texas Apparel Company
4150 Pinnacle Street
El Paso, Texas 79902
Manufactures private label fashion and basic jeans for men and boys.

Thomson Company
1155 Avenue of the Americas
New York, New York 10036
Markets men's slacks, sportswear, sweaters and sport shirts.

Carrizo Manufacturing Co., S.A. de C.V.
Mexico

Clantexport Inc.
New York
Distributes a process used to produce a permanent crease in cotton, wool and blended apparel.

Acquisitions:

Manhattan Industries, Inc.
1155 Avenue of the Americas
New York, New York 10036
(212) 447-2000
Manufactures and retails men's and women's apparel, including shirts, sportswear, and accessories; women's blouses and dresses; and men's sleepwear. Also operates factory outlet stores and engages in licensing company trademarks.

Denton Mills, Inc.
New York
Manufactures children's sleepwear and related products.

Transfer Agent(s):

The Chase Manhattan Bank:
1 New York Plaza
New York, New York 10081

Stock Exchange(s): New York

Ticker Symbol: SLT

Sales & Earnings

	Net Sales +	Net Income †
1988*	\$ 370,610,000	\$ 7,650,000
1987	136,272,000	8,638,000
1986	131,070,000	(5,092,000)
1985	144,466,000	(8,084,000)
1984	198,771,000	(21,240,000)

Salem Carpet Mills, Inc.

	No. of Com. Shares	Earn. per Share †
1988*	3,428,365	\$ 2.10
1987	3,540,370	2.49
1986	3,308,779	—
1985	3,308,779	—
1984	3,308,779	—

(Loss)

* 53 weeks.

† Of continuing operations only.

‡ Including extraordinary gain of \$1,700,000 (\$0.49 per share) in 1987 and extraordinary loss of \$9,400,000 in 1986.

§ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ —	—	—
1987	—	—	—
1986	—	—	—
1985	—	—	—
1984	0.30	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 31,561,000	\$ 9.21
1987	24,570,000	6.94
1986	12,414,000	3.75
1985	16,972,000	5.13
1984	24,993,000	7.55

Income Account *

Year ended	12/3/88	11/28/87
Net sales	\$ 370,610	\$ 136,272
Cost of sales	269,067	106,426
Expenses	72,695	19,557
Royalty income	(3,468)	—
Interest expense	24,507	4,014
Interest income	(241)	(1,014)
Income before taxes	\$ 8,050	\$ 7,289
Income taxes	400	351
Net income	\$ 7,650	\$ 6,938
Extraord. gain	—	1,700
Net income & extraord. gain	\$ 7,650	\$ 8,638

* Included in Costs and Expenses, Depreciation: \$5,527,000 in 1988 and \$1,866,000 in 1987.

Assets

As of	12/3/88	11/28/87
Cash & short-term invest.	\$ 27,195	\$ 10,154
Accts. receiv., net	60,002	25,888
*Inventories	90,504	29,617
Assets held for sale	3,205	—
Prepaid expenses & other curr. assets	3,133	1,148
Current Assets	\$ 184,039	\$ 66,807
#Fixed assets	40,962	11,408
Other assets	91,936	1,781
Total Assets	\$ 316,937	\$ 79,996

Liabilities

	(000's)	
Long-term debt, curr.	\$ 15,738	\$ 300
Accts. payable	27,544	8,468
Accrued payroll	27,108	9,097
Accrued interest	5,610	3,261
Taxes payable	1,318	728
Reserve for bus. restruc.	4,093	—
Curr. Liabilities	\$ 81,411	\$ 21,854
Long-term debt	184,742	28,411
Deferred liab.	19,223	5,161
+Common stock	3,663	3,660
Add. paid-in capital	17,395	17,284
Retained earnings	11,922	4,272
Cum. trans. adjust.	195	165
Treasury stock	(1,614)	(811)
Total Liabilities & Shareholders' Equity	\$ 316,937	\$ 79,996

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.17	5.35
%Net Income to Sales	2.06	3.00
%Net Income to Equity	24.24	16.66
Sales to Inventories	4.09	4.60
Debt to Equity	6.35	1.17
Working Capital	\$ 102,628,000	\$ 44,953,000
Current Ratio	2.26	3.06
Shareholders' Equity	\$ 31,561,000	\$ 24,570,000

Salem Carpet Mills, Inc.

NCNB Plaza, Suite 1100
Winston-Salem, North Carolina 27101
(919) 727-1200

P.O. Box 2818
Winston-Salem, North Carolina 24102-2818

Officers: W. Douglas Foster, chairman & chief executive officer; Douglas A. Cummins, president & chief operating officer; E. A. Meyers, Jr., sr. v.p.-Eastern Division; Jon C. Logue, exec. v.p.-sales & marketing; Floyd W. Kyzer, v.p.-national accounts; Thomas F. Lanier, exec. v.p., chief financial officer & secretary; Jack Haselwander, exec. v.p.-manufacturing; Ollie F. McDaniel, v.p.-product development; Reid D. Lookabill, v.p.-manufacturing; Lane R. Walsh, v.p.-Southwest Division; Richard Jensen, v.p.-Central Division; William E. Stephenson, v.p.-product planning & development; Ernest E. Ferrell, Jr., dir. of credit & asst. treasurer; Timothy O. Toole, v.p.-Western Division; Jack W. Hatcher, v.p.-human resources; Charles W. Wood, v.p.-merchandising; William F.E. Loftin, v.p.-specialty sales; Gerald O. Carver, v.p.-customer service; Michael Jacobs, v.p.-Northeast; N. George Harris, Jr., corp. controller.

Directors: W. Douglas Foster, chairman; A.O. Foster, W.N. Hailey, James S. Dockery, Jr., Douglas A. Cummins, Thomas F. Lanier, Richard R. Allen, Charles A. Tucker.

Business Activities: Engaged in the manufacture and sale of broadloom tufted carpet which utilizes nylon and polypropylene synthetic fibers. The products are marketed through Salem Carpet Mills, Inc., Winston Carpet Corporation and Majestic Carpet Mills.

Trademarks and/or Brand Names: Salem, Winston, Majestic, Ashley.

Plant Locations: Ringgold, Dalton, Chickamauga, Lafayette, Ga.; South Pittsburg, Tenn.; Trenton, S.C.

Division:

Majestic Carpet Mills
P.O. Box 220
Ringgold, Georgia 30736
(404) 935-2241

Winston Carpet Corporation
P.O. Box 220
Ringgold, Georgia 30736
(404) 935-2241

Ashley Carpet Division
P.O. Box 220
Ringgold, Georgia 30736
(800) 223-9995

Transfer Agent(s):

Dominion Trust Company
P.O. Box 13327
Roanoke, Virginia 24040

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SLCR (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1988*	\$ 402,622,000	\$ 8,027,000
1987	359,354,000	5,351,000
1986	325,396,000	7,468,000
1985	276,381,000	5,915,000
1984	259,688,000	3,868,000
	No. of Com. Shares	Earn. per Share +
1988*	8,045,957	\$ 1.00
1987	8,025,376	0.67
1986	8,005,037	0.94
1985	7,923,199	0.75
1984	7,854,175	0.49

* 53 weeks.

+ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 60,602,000	\$ 7.53
1987	52,812,000	6.58
1986	47,363,000	5.92
1985	39,702,000	5.01
1984	33,622,000	4.28

Income Account

Year ended	12/31/88 (53 weeks)	12/26/87
Net sales	\$ 402,622,000	\$ 359,354,000
Cost of sales	323,270,000	291,023,000
Expenses	52,714,000	47,158,000
Depreciation & amortization	6,390,000	5,498,000
Interest expense	7,378,000	6,204,000
Income before taxes	\$ 12,870,000	\$ 9,471,000
Income taxes	4,843,000	4,120,000
Net Income	\$ 8,027,000	\$ 5,351,000

Assets

As of	12/31/88	12/26/87
Cash	\$ 662,000	\$ 625,000
Accts. receiv., net	42,587,000	53,350,000
*Inventories	58,692,000	50,761,000
Prepaid expenses	952,000	1,028,000
Deferred inc. taxes	1,502,000	1,263,000
Curr. Assets	\$ 104,395,000	\$ 107,027,000
#Fixed assets	40,896,000	37,743,000
Other assets	741,000	797,000
Total Assets	\$ 146,032,000	\$ 145,567,000

Salem Carpet Mills, Inc.

Liabilities		
Notes payable	\$ 5,000,000	\$ 5,000,000
Long-term debt, curr.	3,472,000	3,169,000
Accts. payable	20,213,000	28,531,000
Accrued payroll	2,954,000	1,583,000
Reserve for losses on factored accts. rec.	1,250,000	1,067,000
Other accts. pay. & accruals	3,841,000	4,380,000
Inc. taxes payable	334,000	—
Curr. Liabilities	\$ 37,064,000	\$ 43,730,000
Long-term debt	46,273,000	46,843,000
Deferred inc. taxes	2,093,000	2,182,000
+Common stock	8,046,000	8,025,000
Add. paid-in capital	3,383,000	3,318,000
Retained earnings	49,173,000	41,469,000
Total Liabilities & Shareholders' Equity	\$ 146,032,000	\$ 145,567,000

* At lower of cost (LIFO or FIFO) or market.
 † Less accumulated depreciation and amortization.
 ‡ \$1 par value.

Statistical Summary

%Net Income bef. Taxes to Sales	3.20	2.64
%Net Income to Sales	1.99	1.49
%Net Income to Equity	13.25	10.13
Sales to Inventories	6.86	7.08
Debt to Equity	0.90	1.04
Working Capital	\$ 67,331,000	\$ 63,297,000
Current Ratio	2.82	2.45
Shareholders' Equity	\$ 60,602,000	\$ 52,812,000

The Samsung Group

Samsung Main Building

250 2-ka Taepyeong-ro Chung-Ku
 Seoul, KO

Executives: Byung-Chull Lee, chairman of the board-Samsung Group; Kun-Hee Lee, vice chairman-Samsung Group; Hyon-Hwak Shin, chairman-Samsung Co., Ltd.; Joon-Sung Kim, chairman-Samsung Electronics Co., Ltd.; Jae-Un Chung, vice chairman Samsung Co., Ltd.; Pil-Gon Rhee, president-Samsung Co., Ltd.; Yung-Hi Sohn, president-Cheil Sugar & Co., Ltd.; Dae-Won Lee, president-Cheil Wool Textile Co., Ltd.; Chun-Hwa Lee, president-Cheil Synthetic Textile Co., Ltd.; Hoon-Chull Shin, president-Samsung Aerospace Industries Co., Ltd.; Hyung-Soo Han, president-Samsung Corning Co., Ltd.; Joo-In Suh, president-Samsung Electro-Mechanics Co., Ltd.; Pyung-Kun Sung, president-Samsung Petrochemical Co., Ltd.; Kwan-Shik Choi, president-Samsung Shipbuilding & Heavy Industries Co., Ltd. and Korea Engineering Co., Ltd.; Ki-Suk Park, president-Samsung Construction Co., Ltd.; Jin-Ku Kang, president-Samsung Semiconductor & Telecommunications Co., Ltd.; Sae-Chang Song, president-Semiconductor & Telecommunications Co., Ltd.; Jung-Sang Kim, president-Samsung Watch Co., Ltd.; Sang-Ho Jeon, president-Samsung Data Systems Co., Ltd.; In-Ho Kim, president-Chonju Paper Manufacturing Co., Ltd. and Hotel Shilla Co., Ltd.; Soo-Hwan Lee, president-Joong-Ang Development Co., Ltd.; Si-Hwan Ahn, president-Samsung Electronics Co., Ltd.; Jung-Bae Kim, president-Samsung Electronic Devices Co., Ltd.; Kyung-Shik Sohn, president-Ankuk Fire & Marine Insurance Co., Ltd.; Soo-Bin Lee, president-Dongbang Life Insurance Co., Ltd.; Han-Sup Ryu, president-Shinsegae Department Store Co., Ltd.; Woon-Hai Cho, chairman-Koryo General Hospital.

Business Activities: In the Textile area, the Company produces worsted textiles, woolen textiles, men's and women's garments, knit wear, blankets, polyester staple fiber, polyester filament, synthetic fabrics and knitted goods. The Company also manufactures a wide range of electronic and precision products, industrial machinery, chemicals and textiles; and is engaged in food processing, insurance, hotel services, and the operation of department stores, newspapers and magazines.

Trademarks and/or Brand Names: Goldentex, La Beaute, Cacharel, Galaxy.

Plant Locations: Seoul & Kyungsan, South Korea.

Subsidiaries (Korea):

Samsung Co., Ltd.,
 26th Floor Samsung Main Bldg.,
 250 2-ka Taepyeong-ro Chung-Ku-C.P.O. Box 1144
 Seoul, Korea
 751-2114

Cheil Sugar & Co., Ltd.
 18th Floor, Dongbang Main Bldg.,
 150, 2-ka, Taepyeong-ro, Chung-Ku-C.P.O. Box 1155
 Seoul, Korea
 7518-114

Cheil Wool Textile Co., Ltd.,
 8th Floor, Samsung Main Bldg.,
 250, 2-ka Taepyeong-ro, Chung-Ku-C.P.O. Box 1955
 Seoul, Korea
 751-2114

Cheil Synthetic Textiles Co., Ltd.,
 19th Floor, Dongbang Main Bldg.,
 150, 2-ka, Taepyeong-ro, Chung-Ku-C.P.O. Box 3913
 Seoul, Korea
 7518-114

Chonju Paper Mfg. Co., Ltd.,
 21th Floor, Dongbang Main Bldg.,
 150, 2-ka, Taepyeong-ro, Chung-Ku.
 Seoul, Korea
 755-6619
 755-2357

Joong-Ang Development Co., Ltd.,
 12th Floor, Samsung Bldg.,
 50, 1-ka, Ulchi-ro, Chung-Ku.
 Seoul, Korea
 777-5801

Samsung Electronics Co., Ltd.,
 18th Floor, Joong-Ang Daily News Bldg.,
 7 Soonhwa-dong, Chung-Ku-C.P.O. Box 2775
 Seoul, Korea
 751-6114

Samsung Electron Devices Co., Ltd.,
 5-8th Floor, Joong-Ang Daily News Bldg.,
 7 Soonhwa-dong, Chung-Ku
 Seoul, Korea
 755-2333

Samsung Aerospace Industries Ltd.,
 16th Floor, Dongbang Main Bldg.,
 150 2-ka Taepyeong-ro, Chung-Ku
 Seoul, Korea
 7518-114

Samsung Corning Co., Ltd.,
 472 Sin-ri Tae-an-up Whasung-kun
 P.O. Box 32 Suwon
 Kyungki-do, Korea
 7515-114
 (0331) 33-5588

Samsung Electro-Mechanics Co., Ltd.,
 314 Maetan-dong, Suwon-si
 Kyungki-do, Korea
 7512-114
 (0331) 33-5511

Samsung Petrochemical Co., Ltd.,
 10th Floor, Dongbang Main Bldg.,
 150 2-ka Taepyeong-ro, Chung-Ku.
 Seoul, Korea
 7518-821/31

Samsung Shipbuilding & Heavy Industries Co., Ltd.,
 19-20 Floor Samsung Main Bldg.,
 250 2-ka Taepyeong-ro, Chung-Ku-C.P.O. Box 3384
 Seoul, Korea
 751-2214

Ankuk Fire & Marine Insurance Co., Ltd.,
 6th Floor Samsung Bldg.,
 50 1-ka Ulchi-ro, Chung-Ku-C.P.O. Box 469
 Seoul, Korea
 771-42

Dongbang Life Insurance Co., Ltd.
 Dongbang Main Bldg.,
 150 2-ka Taepyeong-ro, Chung-Ku
 Seoul, Korea
 7518-14

Shinsegae Department Store Co., Ltd.,
 52-5 1-ka Chungmu-ro, Chung-ku
 Seoul, Korea
 754-1234

Koryo General Hospital
 108 Pyeong-dong, Chongno-ku
 C.P.O. Box 3452
 Seoul, Korea
 739-3211/20

Hotel Shilla Co., Ltd.,
 202 2-ka Jangchung-dong, Chung-ku
 Seoul, Korea
 233-3131

Samsung Construction Co., Ltd.,
 5th Floor Joong-Ang Bldg.,
 58-9 Seosomun-dong, Chung-Ku-C.P.O. Box 8526
 Seoul, Korea
 757-8877

Samsung Electronics U.K. Ltd.,
 9th Floor Joong-Ang Bld.,
 58-9 Seosomun-dong, Chung-Ku-C.P.O. Box 4351
 Seoul, Korea
 757-9900

Samsung Semiconductor & Telecommunications Co., Ltd.,
 26th Floor Dongbang Main Bldg.,
 150 2-ka Taepyeong-ro, Chung-Ku-C.P.O. Box 8233
 Seoul, Korea
 771-78

Samsung Watch Co., Ltd.,
 7th Floor Samsung Main Bldg.,
 250 2-ka Taepyeong-ro, Chung-Ku-C.P.O. Box 1806
 Seoul, Korea
 751-2114

Samsung Medical Systems Co., Ltd.,
 429-1 Sin-ri Tae-an-up
 Hwasung-gun, Kyungki-do
 745-5491/4

Samsung Hewlett Packard Co.,
 36-1 Youido-dong, Youngdeungpo-ku
 Seoul, Korea
 784-2666

The Joong-Ang Daily News
 Joong-Ang Daily News Bldg.,
 7 Soonhwa-dong, Chung-ku
 Seoul, Korea
 7515-114

Samsung Data Systems Co., Ltd.,
 6th Floor Samsung Main Bldg.,
 250 2-ka Taepyeong-ro, Chung-Ku-C.P.O. Box 4283
 Seoul, Korea
 756-6313

Subsidiaries (U.S.A.):

Samsung Electronics America Inc.,
 301 May Hill Street
 Saddlebrook, New Jersey 07662
 (201) 587-9600
 (201) 587-0010

Samsung International Inc.,
 One Samsung Place
 Ledgewood, New Jersey 07852
 (201) 347-8004

Samsung America Inc.,
 One Executive Drive
 Fort Lee, New Jersey 07024
 (201) 592-7900
 (212) 227-9770

Samsung Pacific International Inc.,
 1425 East Firestone Blvd.,
 La Mirada, California 90638
 802-2211

Samsung Steel (U.S.A.) Inc.,
 1333 West Loop South Suite 1180
 Houston, Texas 77027
 (713) 960-1910

Samsung Semiconductor Inc., (U.S.A.)
5150 Great America Parkway
Santa Clara, California 95054
408-980-1630

Eugene Tech International Inc.,
4-Pearl Court Allendale Park
Allendale, New Jersey 07401
(201) 391-6498

Stock Exchange(s): Seoul, Korea

Sales & Earnings

	Net Sales (Millions)	Net Income (Millions)
1986	W 14,615,742	W 161,150
1985	12,230,639	97,598
1984	8,680,328	N.A.
1983	6,023,770	N.A.
1982	5,018,516	N.A.

W - Korea Won
N.A. - Not Available

Revenues by Line of Business (Million's)

	1986	1985
Exports, imports, domestic		
miking	W 4,275,449	W 3,801,711
Electronic	2,951,240	2,322,630
Industrial	436,550	516,134
Chemical	102,989	111,827
Engineering	439,383	465,899
Newsprint	120,029	86,919
Jet engines	89,682	74,043
Digital elec.	39,069	29,290
Food products	544,926	471,425
Textile	403,595	358,003
Other	4,894,930	3,790,358

Common Stock

	Total Equity (Million's)	Equity Per Share
1986	W 1,101,851	—
1985	891,496	—

Income Account * (Million's)

Year ended Dec. 31	1986	1985
Net sales	W 14,615,742	W 12,230,639
Other income	196,915	121,802
Total income	W 14,812,657	W 12,352,441
Cost of sales	13,128,950	11,030,355
Expenses	923,776	705,113
Interest expense	378,395	339,799
Other expense	161,010	150,801
Income before taxes	W 220,526	W 126,373
Income taxes	59,376	28,775
Net Income	W 161,150	W 97,598

* Included in Costs and Expenses, Depreciation and Amortization: W278,352,000,000 in 1986 and W263,578,000,000 in 1985.

Assets (Million's)

As of Dec. 31	1986	1985
Cash	W 423,018	W 374,320
Marketable securities	68,834	65,713
Notes receivable	314,034	216,371
Accts. receiv., net	878,747	842,760
Inventories	867,604	675,381
Other curr. assets	2,503,814	1,774,684
Current Assets	W 5,056,051	W 3,949,229

Investments	1,185,966	860,492
# Fixed assets	2,948,443	2,322,973
Other assets	240,784	205,022
Total Assets	W 9,431,244	W 7,337,716

Liabilities (Million's)

Notes payable	W 378,706	W 250,107
Short-term loans	1,327,794	1,185,842
Long-term debt, curr.	501,452	318,618
Accts. payable	289,688	226,315
Accruals	151,872	149,025
Advances from cust.	119,251	78,112
Others accruals	392,228	188,424
Curr. Liabilities	W 3,160,991	W 2,396,443
Debentures	320,964	458,941
Long-term debt	1,271,067	1,044,554
Reserves	136,089	98,522
Other liabilities	3,440,322	2,447,760
Common stock	555,742	458,464
Add. paid-in capital	207,409	199,421
Retained earnings	338,700	233,611
Total Liabilities & Shareholders' Equity	W 9,431,244	W 7,337,716

Less accumulated depreciation.

Statistical Summary (000's)

% Income bef. Taxes	1.51	1.03
to Sales	1.10	0.80
% Net Income to Sales	14.63	10.95
% Net Income to Equity	16.85	18.11
Sales to Inventories	3.16	3.14
Debt to Equity	W 1,895,060	W 1,552,786
Working (Millions) Capital	1.60	1.65
Current Ratio	W 1,101,851	W 851,496
Shareholders' Equity (Millions)		

Sanmark-Stardust Inc.

136 Madison Avenue
New York, New York 10016
(212) 679-7260

Officers: Mark M. David, chairman of board & chief exec. officer; Clayton E. Medley, president & chief operating officer; Saul Pomerantz, sr. v.p., secretary & chief financial officer; Helen Samuels, v.p. & treasurer.

Directors: Mark M. David, chairman; Harold B. Pomerantz, Saul Pomerantz, John J. Ross, Helen Samuels, Abraham David, Clayton E. Medley.

Business Activities: Engaged in the design, manufacture and sale of a diversified line of women's popular priced sleepwear, intimate apparel, daywear, leisurewear and robes. Products include pajamas, nightgowns, babydolls, night shirts, dusters, slips, half-slips, cami-oles, teddies, tap pants, sundresses, rompers, short sets, beachwear, peignoir ensembles, robes leisurewear and panties. Also manufactures ready-to-wear clothing for infants, boys and girls, and men's work and leisure shirts, and operates 24 retail outlet stores.

Trademarks and/or Brand Names: Pam Undies, PLAYMATE, Anne Leslie, Stardust, Intimates, Big Beautiful Woman (BBW), Touch of Tenderness, Cutecumbers, Pure Gold 13, Mark of Fifth Avenue, Joan Collins Lingerie Collection, Movie Star, Movie Star Loungewear, Movie Starlet, Cinema Etoile, Cine Star, Betty Boop.

Plant Location(s): Poplarville, Purvis, Ellsville, Sumrall, Lumberton, New Albany, Ackerman, Sardis, Hickory Flat, Paden, Ecru, Mississippi; Cresson, Petersburg, Pennsylvania; Hazlehurst, Glennville, Claxton, Georgia; Lebanon, Honaker, Virginia; Evansville, Indiana; Enfield, Illinois; San Sebastian, Puerto Rico.

Divisions and Subsidiaries:

Anne Leslie Division
Manufactures and distributes robes.

Claxton Manufacturing Company Inc.
183 Madison Avenue
New York, New York
Manufactures and distributes ladies' panties under the trademark "Pam Undies."

Petersburg Manufacturing Corp.
Petersburg, Pennsylvania

Mark Trouser, Inc.
Manufactures a line of infants and toddlers overalls, shortalls, jumpers, matching tops and boys' slacks and jeans under the name "Cutecumber"; boys' fashion jeans and casual wear under the name "Pure Gold 13"; boys' dress slacks under the name "Mark of Fifth Avenue"; and girls' fashion-forward sportswear under the name "Garbagio."

Acquisition:

Movie Star, Inc.
392 Fifth Avenue
New York, New York 10018
(212) 563-3000

Designs, manufactures and markets women's daywear, sleepwear and loungewear, and men's work and leisure shirts. Also operates 24 Bargain Box retail outlet stores in four southern states.

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: SMK

Sales & Earnings

	Net Sales	Net Income
1988	\$ 96,219,000	\$ (1,764,000)
1987	60,550,000	1,766,000
1986	59,504,000	2,771,000
1985	52,029,742	2,716,210
1984	43,464,358	2,248,949

	No. of Com. Shares ‡	Earn. per Share ‡
1988	7,190,000	\$ —
1987	7,061,000	0.25
1986	8,125,000	0.34
1985	10,014,000	0.27
1984	9,955,000	0.23

(Loss)

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	10%	—
1987	—	10%	—
1986	—	—	4-for-3
1985	—	10%	—
1984	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 11,873,000	\$ 1.65
1987	13,679,000	1.94
1986	8,768,000	1.08
1985	17,252,467	1.72
1984	14,536,257	1.46

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Sanmark-Stardust Inc.

Income Account *

Year ended June 30	1988	1987
Net sales	\$ 96,219,000	\$ 60,550,000
Cost of sales	72,918,000	43,281,000
Expenses	22,233,000	10,776,000
Interest expense	4,626,000	3,222,000
Inc. (loss) bef. taxes	\$ (3,558,000)	\$ 3,271,000
Income taxes (credit)	(1,794,000)	1,505,000
Net Income (Loss)	\$ (1,764,000)	\$ 1,766,000

* Included in Costs and Expenses, Depreciation and Amortization: \$1,176,000 in 1988 and \$977,000 in 1987.

Assets

As of June 30	1988	1987
Cash	\$ 2,330,000	\$ 732,000
Market secur.	871,000	5,000,000
Accts. receiv., net	11,062,000	8,248,000
*Inventories	46,630,000	28,971,000
Prepaid expenses	2,629,000	981,000
Current Assets	\$ 63,522,000	\$ 43,932,000
\$ Fixed assets	12,638,000	8,281,000
Other assets	2,059,000	3,017,000
Total Assets	\$ 78,219,000	\$ 55,230,000

Liabilities

Notes payable	\$ 19,563,000	\$ 2,622,000
Long-term debt, curr.	880,000	551,000
Accts. payable	9,659,000	7,018,000
Accruals	5,891,000	2,447,000
Cur. Liabilities	\$ 35,993,000	\$ 12,638,000
Long-term debt	3,525,000	3,264,000
Subordinated debentures	25,000,000	25,000,000
Deferred inc. taxes	632,000	649,000
Other liabilities	1,196,000	—
+Common stock	90,000	90,000
Add. paid-in capital	10,611,000	10,611,000
Retained earnings	7,931,000	12,151,000
Treasury stock	(6,759,000)	(9,173,000)
Total Liabilities & Shareholders' Equity	\$ 78,219,000	\$ 55,230,000

* At lower of cost (FIFO) or market.
\$ Less accumulated depreciation.
+ \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.40
%Net Income to Sales	—	2.92
%Net Income to Equity	—	12.91
Sales to Inventories	2.06	2.09
Debt to Equity	2.02	0.47
Working Capital	\$ 27,529,000	\$ 31,294,000
Current Ratio	1.76	3.48
Shareholders' Equity	\$ 11,873,000	\$ 13,679,000

Sara Lee Corporation

Three First National Plaza
Chicago, Illinois 60602-4260
(312) 726-2600

Officers: John H. Bryan, Jr., chairman of the board & chief exec. officer; Robert E. Elberson, vice chairman; Paul Fulton, president; Michael E. Murphy, exec. v.p. & chief financial and administrative officer; Joseph F. Neely, sr. v.p.; George W. Bryan, sr. v.p.; C. Steven McMillan, sr. v.p.; strategy development; Richard G. Rademacher, sr. v.p. & chief accounting officer; Gordon H. Newman, sr. v.p.; secretary & general counsel; Cornelius Boonstra, sr. v.p.; Brian Healey, sr. v.p.; Philip R. Currier, v.p.; Leslie W. Riley, Jr., v.p.; William D. Hardison, Jr., v.p.; Gary Ber-

negger, v.p.; Keith L. Alm, v.p.; Thomas D. MacLeod, Jr., v.p.; M. Weldon Schenck, v.p.; Robert L. Lauer, v.p.-corporate affairs; Mary Ellen Johnson, v.p. & treasurer; Phillip A. Temple, v.p.-human resources; Daniel R. Kulik, v.p. & corp. controller; Vincent H. Swoyer, v.p.-corp. systems; James R. Carlson, v.p.; E.L. Kramer, v.p.; Donald L. Meier, v.p.-taxes; John F. Ward, v.p.; Dennis W. Hagele, assistant controller; Mark J. McCarville, v.p.-corp. development; JoAnn D. Burkholder, assistant secretary; Thomas H. Gordon, assistant secretary; William D. Irie, assistant secretary; Charles Y. Lackey, assistant secretary; William S. Lipman, assistant secretary; Ronald L. Scherubel, assistant secretary; Floyd G. Hoffman, v.p., associate gen. counsel & asst. secretary; Judith A. Sprieser, asst. treasurer; David B. Ellis, asst. treasurer.

Directors: Roy L. Ash, John H. Bryan, Jr., John B. McKinnon*, Robert E. Elberson*, John T. Fey, Carl A. Gerstacker*, James L. Ketelsen*, Joan D. Manley*, Beatrice C. Mayer, Paul W. McCracken, J. Dean Muncaster, Michael E. Murphy, Richard L. Thomas*, Willie D. Davis, John E. Swearingen, Leo van Dongen, Charles W. Coker, Paul Fulton, Baron G. Krajenhoff.

* Member of the Executive Committee

Business Activities: Consumer Personal Products -- hosiery, knitwear, women's swimwear, intimate apparel, fleeced sportswear, gloves, leather goods, cosmetics, personal and household care products.

Beverages -- coffee, tea, and soft drinks.

Consumer Foods -- fresh and processed meats, frozen baked goods, potatoes, confections, candy, canned fruits and vegetables, personal care products, toys, refined sugar. Foodservice Distribution -- food and supplies for volume feeding operations.

Consumer Direct Sales -- housewares and personal care products.

Trademarks and/or Brand Names: Hanes, Underalls, Slenderalls, Fitting Pretty, Hanes Tool, Hanes Alive, Just My Size, Silk Reflections, Bill Blass, Showtoons, Today's Girl, L'eggs, L'eggs Colors, Sheer Energy, Sheer Elegance, Hanes Printables, L'erin, Bali, WonderBra, Dici, A-OK, Ce Soir, Something Else, Aris, Isotoner, Sirena, Wear-about, Lycra, Donna Karan, Hanes Ultra Silk, Ultra Sheer, Little L'eggs Tights, Hanes Her Way, Pretty Bali, Flexnit, Not Just Another Bra, Not Just Another Panty, Thinsulate, Notice, Summeralls, Summer Sheer, Coloralls, Winteralls, Beefy-T, Hanes Classica, Hanes Her Way, L'eggs Active Support, Sheer Elegance Silky Support.

Divisions and Subsidiaries:

Consumer Personal Products

Hanes Hosiery
Winston-Salem, North Carolina
Women's hosiery products.

Hanes Printables
Winston-Salem, North Carolina
Printable T-shirts and activewear.

L'eggs Products
East Rockingham, North Carolina
Women's hosiery products.

Hanes Underwear
Winston-Salem, North Carolina
Men's, boy's and women's underwear.

Bali Company
Winston-Salem, North Carolina
Brassieres.

Canadelle, Inc.
Montreal, Quebec, Canada
Foundation garments.

Aris Isotoner, Inc.
New York, New York
Gloves, knitwear, and slippers.

Sirena, Inc.
South El Monte, California
Women's swimwear and leisure wear.

Coach Leatherwear
Leather goods.

Nicholas Kiwi
Clayton, Australia

Beverages:

Douwe Egberts N.V. (65% owned)
Utrecht, Holland

Superior Coffee Co.
Bensenville, Illinois
Consumer Foods:

Kahn's and Company
Cincinnati, Ohio

Bryan Foods
West Point, Michigan

Hillshire Farm
New London, Wisconsin

Rudy's Farm
Nashville, Tennessee

Gallo/Galileo Salame
San Francisco, California

Kitchens of Sara Lee
Deerfield, Illinois

Chef Pierre, Inc.
Traverse City, Michigan

Hollywood Brands
Centralia, Illinois

Intrad NV
Amersfoort, Holland

Jonker Fris B.V.
Heusden A.D. Maas, Holland

Hi-Brand Foods
Peachtree, Georgia

Standard Meat Co.
Fort Worth, Texas

Jimmy Dean Meats
Dallas, Texas

Peck Meat Packing
Milwaukee, Wisconsin

Bil Mar Foods
Buring Foods

Food Service Distribution:

PYA/Monarch, Inc.
Greenville, South Carolina

Booth Fisheries Corporation
Chicago, Illinois

Consumer Direct Sales:

The Fuller Brush Company
Great Bend, Kansas

Lyon's Restaurants
Foster City, California

Acquisitions:

Adams-Millis Corporation
225 North Elm Street
High Point, North Carolina 27261
(919) 889-7071
Manufactures a full line of hosiery.

Pannill Knitting Company, Incorporated
(50%-owned)
202 Cleveland Avenue
Martinsville, Virginia 24115
(703) 638-8841
Manufactures and markets fleeced sportswear, principally sweatshirts and sweatpants.

Dim S.A.
(61%-owned)
France
Manufactures and markets hosiery.

Savoy Industries, Inc.

Transfer Agent(s):

Sara Lee Corporation
Chicago, Illinois

Stock Exchange(s): New York, Midwest, Pacific, London, Amsterdam

Ticker Symbol: SLE

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1988*	\$ 10,423,816	\$ 325,075
1987	9,154,588	267,059
1986	7,937,722	223,455
1985	8,117,206	206,312
1984	7,000,310	188,441

	No. of Com. Shares #	Earn. per Share #
1988*	111,670,000	\$ 2.83
1987	111,687,000	2.35
1986	108,211,000	2.02
1985	110,743,000	1.80
1984	113,273,000	1.62

* 53 weeks.

+ Of continuing operations only.

Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues by Line of Business (000's)

	1988	1987
Packaged foods:		
Pack. meats & bakery	\$ 3,399,228	\$ 3,059,257
Coffee & grocery	1,663,093	1,577,041
Foodservice	2,288,909	1,893,449
Packaged consumer prodns.:		
Personal prodns.	2,087,301	1,733,555
Household & personal care	1,104,068	983,328
Intersegment	(118,783)	(92,042)
Total	\$ 10,423,816	\$ 9,154,588

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	\$ 1.15	—	—
1987	0.95	—	—
1986	0.78	—	—
1985	0.703	—	—
1984	0.633	—	2-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity (000's)	Equity Per Share #
1988	\$ 1,575,097	\$ 14.25
1987	1,695,955	12.79
1986	1,154,678	10.82
1985	991,045	9.26
1984	956,308	8.66

Adjusted to reflect stock splits.

Income Account * (000's)

Year ended	7/2/88 (53 weeks)	7/2/87
Net sales	\$ 10,423,816	\$ 9,154,588
Cost of sales	7,096,756	6,309,565
Expenses	2,717,304	2,328,704
Interest expense	119,925	105,632
Interest income	(23,705)	(37,159)
Income before taxes	\$ 513,336	\$ 447,846

Income taxes	188,261	180,787
Net Income	\$ 325,075	\$ 267,059

* Included in Costs and Expenses. Depreciation and Amortization: \$197,838,000 in 1988 and \$168,027,000 in 1987.

Assets (000's)

As of	7/2/88	6/27/87
Cash, invest., & market secur.	\$ 178,552	\$ 302,862
Accts. receiv., net	717,532	609,998
* Inventories	1,127,453	1,011,719
Other curr. assets	65,335	35,827
Current Assets	\$ 2,088,872	\$ 1,960,406
Invest. in unconsol. cos.	88,763	116,320
Trademarks	258,053	230,133
* Fixed assets	1,416,704	1,240,570
Intangibles	1,159,678	644,246
Total Assets:	\$ 5,012,070	\$ 4,191,675

Liabilities (000's)

Notes payable	\$ 94,599	\$ 219,354
Long-term debt, curr.	22,145	75,993
Accts. payable & accruals	1,674,913	1,276,902
Deferred inc. taxes	11,813	20,892
Cap. lease oblig., curr.	2,691	2,121
Current Liabilities	\$ 1,806,161	\$ 1,595,262
Long-term debt	877,014	617,424
Long-term oblig. under capital leases	16,420	15,200
Deferred inc. taxes	298,952	280,527
Other liabilities	213,426	192,307
+ Preferred stock	75,000	75,000
+ Auction preferred stock	150,000	—
+ Common stock	159,461	159,461
Add. paid-in capital	24,212	3,667
Retained earnings	1,597,259	1,408,504
Foreign curr. trans.	15,337	20,048
Treasury stock	(221,172)	(175,725)
Total Liabilities & Shareholders' Equity	\$ 5,012,070	\$ 4,191,675

* At lower of cost (LIFO & FIFO) or market.

Less accumulated depreciation.

+ No par value; cumulative, convertible, adjustable.

+ + No par value.

+ + \$1.33 1/3 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.92	4.88
%Net Income to Sales	3.03	2.92
%Net Income to Equity	20.04	18.86
Sales to Inventories	9.25	9.05
Debt to Equity	0.64	0.66
Working Capital	\$ 282,711,000	\$ 365,144,000
Current Ratio	1.16	1.23
Shareholders' Equity	\$ 1,575,097,000	\$ 1,415,955,000

Directors: Benson A. Selzer, chairman of the board; Irwin L. Feinberg, John A. Selzer, Lee Gray, Harold P. Chaffe, James T. Kropf, Samuel Ofrichter.

Business Activities: Principally engaged in the manufacture and marketing of men's sweaters and sportswear.

Trademarks and/or Brand Names: Cotton Where It Counts, Signage.

Plant Locations: Philadelphia, Pennsylvania; Statesville, North Carolina.

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SAVO (NASDAQ)

Sales & Earnings

	Net Sales †	Net Income
1987	\$ 49,120,000	\$ (23,826,000)
1986	50,890,000	(4,040,000)
1985	70,277,000	(446,000)
1984	62,039,000	2,594,000
1983	60,318,000	1,933,000

	No. of Com. Shares	Earn. per Share ‡
1987	9,517,063	\$ —
1986	9,517,063	—
1985	9,517,063	—
1984	9,467,063	0.26
1983	9,467,063	0.20

(Loss)

† Of continuing operations only.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity †	Equity Per Share
1987	\$ (19,961,000)	\$ —
1986	3,886,000	0.41
1985	7,755,000	0.81
1984	8,210,000	0.87
1983	5,638,000	0.60

(Deficiency)

† After allowing for preferred stock at liquidation value.

Income Account * (000's)

Year ended Dec. 31	1987	1986
Net sales	\$ 49,120	\$ 50,890
Cost of sales	40,996	37,271
Expenses	19,544	18,817
Minority interest	(769)	(2,020)
Interest expense	5,406	3,980
Interest income	(3,502)	(508)
Loss from cont. oper.	\$ (12,555)	\$ (6,650)
Income (loss) from discont. oper.	(11,271)	2,610
Net Loss	\$ (23,826)	\$ (4,040)

* Included in Costs and Expenses. Depreciation and Amortization: \$955,000 in 1987 and \$811,000 in 1986.

Assets (000's)

As of Dec. 31	1987	1986
Cash	\$ 2,189	\$ 4,580
Accts. receiv., net	11,013	8,773
Note receivable	1,500	—
* Inventories	11,072	10,082
Prepaid expenses	655	1,820
Current Assets	\$ 26,429	\$ 25,255

Savoy Industries, Inc.

150 East 38th Street
New York, New York 10155
(212) 980-9670

Officers: Benson A. Selzer, chairman of the board, chief executive officer & exec. v.p.; Irwin L. Feinberg, vice chairman; John A. Selzer, exec. v.p., secretary & treasurer; Samuel Ofrichter, vice chairman; Robert Komenda, president, chief operating and financial officer; John R. Gioioso, v.p. & asst. secretary.

Savoy Industries, Inc.

Net assets-discont. oper.	—	8,655
# Fixed assets	6,598	7,203
Notes receivable	—	5,000
Invest. in subsid.	1,017	984
Other assets	3,855	4,332
Total Assets	\$ 37,899	\$ 51,429

Liabilities (000's)		
Notes payable	\$ 18,607	\$ 4,231
Long-term debt, curr.	18,752	1,819
Accts. payable	4,933	2,063
Accruals	6,034	4,186
Net liab.-discont. oper.	—	3,474
Income taxes	996	1,024

Curr. Liabilities	\$ 49,322	\$ 16,799
Long-term debt	4,754	25,789
Other liabilities	3,517	3,900
Minority interest	—	788
+ Preferred stock	1	1
++ Common stock	95	95
Add. paid-in capital	8,009	8,009
Retained earnings (deficit)	(27,799)	(3,952)

Total Liabilities & Shareholders' Equity	\$ 37,299	\$ 51,429
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* At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ \$0.01 par value; 8% cumulative.
++ \$0.01 par value.

Statistical Summary		
Sales to Inventories	4.44	5.02
Debt to Equity	—	7.67
Working Capital	—	\$ 8,456,000
Current Ratio	—	1.50
Shareholders' Equity (Deficiency)	\$ (19,694,000)	\$ 4,153,000

Sales & Earnings

	Net Sales +	Net Income
1988	\$ 304,909,000	\$ 3,146,000
1987	270,518,000	1,754,000
1986	265,028,000	10,454,000
1985	270,403,000	5,889,000
1984	270,762,000	8,064,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	3,405,320	\$ 0.92
1987	3,412,852	0.51
1986	3,404,000	3.06
1985	3,602,992	1.62
1984	4,582,692	1.75

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1988	1987
Food processing	\$ 253,952,000	\$ 223,542,000
Textiles	36,938,000	32,681,000
Other	14,019,000	14,295,000
Total	\$ 304,909,000	\$ 270,518,000

Common Stock Equity

	Total Equity +	Equity Per Share
1988	\$ 65,975,000	\$ 19.37
1987	62,852,000	18.46
1986	61,373,000	17.93
1985	51,011,000	15.23
1984	49,613,000	12.55

+ After allowing for preferred stock at stated values.

Income Account* (000's)

Year ended July 31	1988	1987
Net sales	\$ 304,909	\$ 270,518
Other income	759	—
Total income	\$ 305,668	\$ 270,518
Cost of sales	257,471	230,530
Expenses	31,842	26,522
Interest expense	9,868	10,441
Restruct. costs	1,486	—
Income before taxes	\$ 5,001	\$ 3,025
Income taxes	1,855	1,271
Net Income	\$ 3,146	\$ 1,754

* Included in Costs and Expenses, Depreciation and Amortization: \$8,820,000 in 1988 and \$8,718,000 in 1987.

Assets (000's)

As of July 31	1988	1987
Cash	\$ 13,097	\$ 13,134
Accts. receiv., net	27,120	22,022
*Inventories	70,556	80,772
Refund. income taxes	1,469	35
Prepaid expenses	1,199	241
Current Assets	\$ 113,481	\$ 116,204
#Fixed assets	71,100	75,045
Other assets	3,153	3,079
Total Assets	\$ 187,734	\$ 194,328

Liabilities (000's)

Long-term debt & cap. lease oblig., curr.	\$ 5,478	\$ 3,512
Accts. payable	15,387	21,416
Accruals	9,915	8,752
Curr. Liabilities	\$ 30,780	\$ 33,680
Long-term debt	61,296	62,907
Cap. lease oblig.	17,040	20,271
Deferred inc. taxes	12,573	11,053
AGCO coop. funds	—	3,495
Preferred stock:		
+ 6% Cumulative	50	50
++ 10% Cumulative convertible	20	20
+++ Common stock	2,032	2,032
Add. paid-in capital	9,457	9,457
Retained earnings	54,486	51,363

Total Liabilities & Shareholders' Equity	\$ 187,734	\$ 194,328
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* At lower of cost (LIFO) or market.
Less accumulated depreciation and amortization.
+ \$0.25 par value.
++ \$0.025 par value.
+++ \$0.25 par value.

Statistical Summary

% Income bef. Taxes to Sales	1.64	1.12
% Net Income to Sales	1.03	0.65
% Net Income to Equity	4.76	2.79
Sales to Inventories	4.32	3.35
Debt to Equity	1.27	1.38
Working Capital	\$ 82,701,000	\$ 82,524,000
Current Ratio	3.69	3.45
Shareholders' Equity	\$ 66,045,000	\$ 62,922,000

Seneca Foods Corporation

1162 Pittsford-Voor Road
Pittsford, New York 14534
(716) 385-9500

Officers: Arthur S. Wolcott, chairman of the board; Frederick W. Leick, president & chief exec. officer; William T. Nanovsky, sr. v.p. & chief financial officer; Alvin L. Gauvin, sr. v.p.-sales; Ricke A. Kress, v.p.-research & development; Jeffrey L. Van Riper, controller; Devra A. Bevona, asst. treasurer.

Directors: Arthur S. Wolcott, chairman; David L. Call, Edward O. Gaylord, G. Brymer Humphreys, Julius G. Kayser, Craig H. Kayser, Frederick W. Leick, William T. Nanovsky, Susan W. Stuart.

Business Activities: Through Tapetex, a textile converting subsidiary, the Company markets materials used as linings in men's apparel and as exterior fabrics for men's and women's outerwear. The Company is also involved in food processing, which is the major source of revenue.

Plant Location(s): Rochester, New York.

Subsidiary:

Tapetex
Rochester, New York

Transfer Agent(s):

Seneca Foods Corporation
1605 Main Street, Suite 1010
Sarasota, Florida 34236

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SENE (NASDAQ)

Shaw Industries, Inc.

P.O. Box 2128
616 East Walnut Avenue
Dalton, Georgia 30722-2128
(404) 278-3812

Officers: J. C. Shaw, chairman of the board; Robert E. Shaw, president & chief exec. officer; William C. Lusk, Jr., sr. v.p. & treasurer; W. Norris Little, sr. v.p.-operations; Warren M. Sims, Jr., v.p.-administration; Vance D. Bell, v.p.-marketing; Douglas H. Hoskins, controller; Bennie M. Laughter, secretary & gen. counsel.

Directors: J.C. Shaw*, chairman; Robert E. Shaw*, W. Norris Little, William C. Lusk, Jr., Robert R. Harlin*, Dakin B. Ferris, Clifford M. Kirtland, Jr.*, J. Hicks Lanier, R. Julian McCamy.

* Member of the Executive Committee

Business Activities: Manufactures, designs and sells tufted carpeting.

Trademarks and/or Brand Names: Philadelphia, Cabin Crafts, Stratton, Shaw Commercial Carpets, Magee.

Plant Locations: Dalton, Fitzgerald, Cartersville, Millledgeville, Newnan, Tifton, Dallas, Rome, and Calhoun, Georgia; Stevenson and Valley Head, Alabama; Decatur, Tenn.

Divisions:

Philadelphia Carpets Division
Distributor Division
National Division
Cabin Crafts Division
Shaw Commercial Carpets Division

Acquisition:

Carpet and Rug Division of West Point-Pepperell, Inc. Manufactures carpets and rugs under the trade names Cabin Crafts and Stratton Commercial Carpets.

Signal Apparel Company, Inc.

Transfer Agent(s):

The Citizens & Southern National Bank
Atlanta, Georgia

Stock Exchange(s): New York, Pacific

Ticker Symbol: SHX

Sales & Earnings

	Net Sales ‡	Net Income
1988	\$ 958,288,000	\$ 33,792,000
1987	694,203,000	28,545,000
1986	550,024,000	24,095,000
1985	519,472,000	25,881,000
1984	454,198,000	22,909,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	15,899,746	\$ 2.13
1987	16,764,587	1.70
1986	17,043,548	1.41
1985	17,049,308	1.52
1984	16,964,314	1.35

‡ Includes service revenues.

Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1988	\$ 0.630	—	—
1987	0.500	—	—
1986	0.325	—	2-for-1
1985	0.275	—	—
1984	0.235	—	4-for-3

Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share #
1988	\$ 157,115,000	\$ 10.21
1987	152,600,000	9.22
1986	141,218,000	8.29
1985	122,662,000	7.20
1984	101,936,000	5.96

Adjusted to reflect stock splits.

Income Account*

Year ended	7/2/88	6/27/87
Sales & revenues	\$ 958,288,000	\$ 694,203,000
Cost of sales	778,233,000	559,377,000
Expenses	107,425,000	72,150,000
Oper. profit	\$ 72,630,000	\$ 62,676,000
Other income	(218,000)	(306,000)
Interest expense	18,915,000	8,042,000
Income bef. taxes	\$ 53,933,000	\$ 54,940,000
Income taxes	20,141,000	26,395,000
Net Income	\$ 33,792,000	\$ 28,545,000

* Included in Costs and Expenses, Depreciation: \$24,033,000 in 1987 and \$18,788,000 in 1986.

Assets

As of	7/2/88	6/27/87
Cash	\$ 3,533,000	\$ 6,056,000
Accts. receiv., net	135,804,000	90,180,000
*Inventories	202,522,000	136,963,000
Prepaid expenses	1,050,000	798,000
Current Assets	\$ 342,909,000	\$ 233,997,000
*Fixed assets	200,985,000	126,431,000
Other assets	2,359,000	2,328,000
Total Assets	\$ 546,253,000	\$ 362,756,000

Liabilities

Notes payable	\$ 25,000,000	\$ 10,000,000
Long-term debt, curr.	21,656,000	12,777,000
Accts. payable	64,437,000	47,488,000
Accruals	24,822,000	16,626,000
Accrued inc. taxes	5,769,000	5,427,000
Current Liabilities	\$ 141,684,000	\$ 92,318,000
Long-term debt	230,027,000	104,806,000
Deferred inc. taxes	17,427,000	13,032,000
+Common stock	18,918,000	18,918,000
Add. paid-in capital	30,785,000	30,785,000
Retained earnings	135,364,000	111,684,000
Treasury stock	(27,952,000)	(8,787,000)
Total Liabilities & Shareholders' Equity	\$ 546,253,000	\$ 362,756,000

* At lower of cost (LIFO) or market.
Less accumulated depreciation.
+ No par value; \$1.11 stated value.

Statistical Summary

%Income bef. Taxes		
to Sales	5.63	7.91
%Net Income to Sales	3.53	4.11
%Net Income to Equity	21.51	18.71
Debt to Equity	1.76	0.84
Working Capital†	\$ 201,225,000	\$ 141,679,000
Current Ratio	2.42	2.53
Shareholders' Equity	\$ 157,115,000	\$ 152,600,000

Signal Apparel Company, Inc.

200 Manufacturers Road
P.O. Box 4296
Chattanooga, Tennessee 37405
(615) 756-8146

Officers: George B. Clairmont, chairman of the board; Charles W. Davies, Jr., president & chief executive officer; Paul C. Bradshaw, secretary; Leslie W. Levy, v.p. & president-Heritage Sportswear Division; M. Ted Grubbs, treasurer & asst. secretary; David L. Bryant, v.p.-sales & marketing; Frank M. Sanchez, v.p.-manufacturing, Northern Territories & human resources.

Directors: George B. Clairmont*, Andre Marcus, Joseph L. May*, Dorothy D. Collins*, Arnold S. Jacobs, Maurice M. Clairmont*, Charles W. Davies, Jr.*

* Member of the Executive Committee

Business Activities: Engaged in the production and sale of men's and boys' knit underwear and sportswear, sweaters and knit shirts, and women's knit apparel.

Trademarks and/or Brand Names: Heritage U.S.A., Signal, joan vass u.s.a., Mary McFadden*, Laura Pearson U.S.A., John Weitz*.

*Under a licensing agreement.

Plant Locations: LaGrange, Griffin, Georgia; Marion, Lakeview, South Carolina; Rutledge, Chattanooga, New Tazewell, Tennessee.

Divisions and Subsidiaries:

Heritage Sportswear Division
Marion, South Carolina
(803) 423-5736
Men's and boys' sweaters and knit shirts and women's knit apparel.

Signal Knitwear Division
Chattanooga, Tennessee
(615) 266-2175
Men's and boys' knit underwear and sportswear.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.

1 Chase Plaza
New York, New York 10081

Stock Exchange(s): New York

Ticker Symbol: SIA

Sales & Earnings

	Net Sales +	Net Income
1988	\$ 72,137,000	\$ (5,209,000)
1987	90,358,000	28,000
1986	94,488,000	4,238,000
1985	79,229,000	(398,000)
1984	82,539,000	(571,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1988	3,116,854	\$ —
1987	3,013,660	—
1986	2,845,794	1.35
1985	2,708,696	—
1984	2,708,260	—

(Loss)

+ Of continuing operations only.

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1988	1987	1986
Active sportswear	58 %	53 %	51 %
Men's & boys' knitted underwear	15	12	12
Womens apparel	17	22	14
Sweaters & knit shirts	6	5	6
Other	2	1	2
Discontinued lines	2	7	15
Total	100 %	100 %	100 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 0.20	—	—
1987	0.20	—	—
1986	0.20	—	2-for-1
1985	0.20	—	—
1984	0.20	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share ‡
1988	\$ 20,366,000	\$ 6.53
1987	25,923,000	8.60
1986	25,927,000	9.11
1985	20,384,991	7.53
1984	21,446,684	7.92

‡ After allowing for preferred stock at total involuntary liquidation value.

† Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1988	1987
Net sales	\$ 72,137,000	\$ 90,358,000
Cost of sales	64,579,000	71,713,000
Expenses	14,512,000	17,392,000
Oper. profit (loss)	\$ (6,954,000)	\$ 1,253,000
Interest expense	1,689,000	990,000
Interest income	(67,000)	(89,000)
Other expense	176,000	288,000
Income (loss) bef. taxes	\$ (8,752,000)	\$ 84,000
Income taxes (credit)	(3,543,000)	56,000
Net Income (Loss)	\$ (5,209,000)	\$ 28,000

* Included in Costs and Expenses, Depreciation and Amortization: \$2,570,000 in 1988 and \$1,754,000 in 1987.

Signal Apparel Company, Inc.

Assets		
As of Dec. 31	1988	1987
Cash	\$ 502,000	\$ 314,000
Receiv., net	10,546,000	10,060,000
Refund inc. taxes	3,903,000	1,471,000
Deferred inc. taxes	—	1,155,000
*Inventories	23,207,000	28,377,000
Prepaid expenses	345,000	323,000
Current Assets	\$ 38,503,000	\$ 41,700,000
#Fixed assets	10,137,000	11,208,000
Other assets	2,005,000	1,511,000
Total Assets	\$ 50,645,000	\$ 54,419,000

Liabilities		
Long-term debt, curr.	\$ 45,000	\$ 51,000
Short-term bank debt	5,470,000	4,687,000
Accts. payable	5,566,000	3,391,000
Accruals	1,649,000	2,318,000
Dividends payable	64,000	151,000
Curr. Liabilities	\$ 12,794,000	\$ 10,598,000
Long-term debt	12,693,000	12,599,000
Def. inc. taxes	797,000	1,303,000
+Preferred stock	557,000	557,000
+Common stock:		
Class A	23,000	23,000
Class B	9,000	9,000
Add. paid-in capital	10,426,000	10,426,000
Retained earnings	14,341,000	19,805,000
Treasury stock	(995,000)	(901,000)
Total Liabilities & Shareholders' Equity	\$ 50,645,000	\$ 54,419,000

* At lower of cost (LIFO) or market.
 # Less accumulated depreciation.
 + No par value.
 ++ \$0.01 par value.

Statistical Summary		
%Income bef. Taxes to Sales	—	0.09
%Net Income to Sales	—	0.03
%Net Income to Equity	—	0.09
Sales to Inventories	3.11	3.18
Debt to Equity	0.75	0.58
Working Capital	\$ 25,709,000	\$ 31,102,000
Current Ratio	3.01	5.93
Shareholders' Equity	\$ 24,361,000	\$ 29,919,000

Sirco International Corp.

700 South Fulton Avenue
 Mount Vernon, New York 10550
 (914) 664-4400

Officers: Burt J. Siris, chairman of the board & chief executive officer; Joseph Ganz, president; Douglas Turner, president-Sirco International Canada, Ltd..

Directors: Burt J. Siris, chairman; Neil Grundman, Joseph Ganz, Yataka Yamaguchi, Douglas Turner.

Business Activities: Sells at wholesale handbags, tote bags, wallets, small leather goods and novelty items, basically for women and children. Merchandise is made of leathers, vinyls and fabrics.

Trademarks and/or Brand Names: Action Bags, Amy, Bartoli Handbags, Miss McDuff, Mondo, Sanford, Care-free, Bueno, Haiton.

Subsidiaries:

Sirco International Canada, Ltd.
 1321 Blundell Road
 Mississauga, Ontario, Canada

Sirco Leatherwares Ltd.
 North Circular Road
 Finchley, London, N. 12, England

Sirco Industries Limited
 13D Por Mee Factory
 500 Castle Peak Road
 Kowloon, Hong Kong

Transfer Agent(s):

Harris Trust Company of New York
 New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SIRC (NASDAQ)

Sales & Earnings		
	Net Sales	Net Income ‡
1987	\$ 35,616,490	\$ (1,535,562)
1986	38,083,290	(2,583,738)
1985	41,020,020	259,123
1984	38,544,734	435,283
1983	38,861,919	1,085,142
	No. of Com. Shares +	Earn. per Share # ‡
1987	815,200	\$ —
1986	815,200	—
1985	815,200	0.32
1984	815,200	0.53
1983	815,200	1.33

(Loss)

‡ Including extraordinary gains of \$23,173 in 1987, \$31,842 in 1986, \$11,558 (\$0.01 per share) in 1985, \$10,104 (\$0.01 per share) in 1984 and \$65,802 (\$0.08 per share) in 1983.

+ Adjusted to reflect stock dividend.

Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock			
	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	—
1985	—	—	—
1984	—	—	—
1983	—	100%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1987	\$ 5,008,350	\$ 6.14
1986	6,208,313	7.62
1985	8,803,798	10.80
1984	8,479,974	10.40
1983	8,209,799	10.07

+ Adjusted to reflect stock dividend.

Income Account *		
Year ended Nov. 30	1987	1986
Net sales	\$ 35,616,490	\$ 38,083,290
Cost of sales	26,272,662	29,217,137
Expenses	9,867,341	11,000,999
Interest expenses	1,040,353	1,355,701
For. each. gain	(129,669)	(26,898)
Loss bef. taxes	\$ (1,433,997)	\$ (3,463,469)
Income taxes (credit)	124,738	(848,069)
Net Loss	\$ (1,558,735)	\$ (2,615,580)
Extraord. gain	23,173	31,842
Net Loss & extraord. gain	\$ (1,535,562)	\$ (2,583,738)

* Included in Costs and Expenses, Depreciation and Amortization: \$371,027 in 1987 and \$405,033 in 1986.

Assets		
As of Nov. 30	1987	1986
Cash	\$ 653,397	\$ 1,708,247
Accts. receiv., net	7,305,513	8,040,379
* Inventories	5,843,795	6,807,571
Prepaid expenses & other assets	211,197	418,746
Refundable taxes	7,951	526,507
Current Assets:	\$ 14,021,853	\$ 17,501,450
# Fixed assets	4,334,934	4,607,002
Other assets	249,961	290,925
Restricted cash	735,509	700,477
Total Assets	\$ 19,342,257	\$ 23,099,854

Liabilities		
Notes payable	\$ 4,095,449	\$ 598,740
Acceptances payable	3,004,226	9,124,116
Accts. payable	1,433,823	1,244,099
Accruals	1,450,689	1,188,637
Income taxes	5,257	77,422
Curr. Liabilities	\$ 9,989,444	\$ 12,233,014
Long-term debt	419,463	433,527
Cap. lease oblig.	3,925,000	4,225,000
+ Common stock	81,520	81,520
Add. paid-in capital	1,702,534	1,702,534
Retained earnings	3,784,030	5,319,592
Curr. trans. adj.	(559,734)	(895,333)
Total Liabilities & Shareholders' Equity	\$ 19,342,257	\$ 23,099,854

* At lower of cost (FIFO) or market.
 # Less accumulated depreciation and amortization.
 + \$0.10 par value.

Statistical Summary		
Sales to Inventories	6.09	5.59
Debt to Equity	0.08	0.10
Working Capital	\$ 4,032,409	\$ 5,268,436
Current Ratio	1.40	1.43
Shareholders' Equity	\$ 5,008,350	\$ 6,208,313

Sirdar PLC

Flanshaw Lane
 Alverthorpe, Wakefield
 West Yorkshire WF2 9ND, England
 0924 371501

Directors: Jean Margaret Tyrrell, chairman; Frank Gerard Lumb, managing director; Gordon Hampton, marketing director; Joseph Stuart, production director; Kevin Francis Henry, secretary; Alan Edward Lawrence, sales director; David Paul Longbottom.

Business Activities: Manufactures specialized textile products including hand-knitting yarns, ready-made curtains, and floorcoverings.

Subsidiaries:

Hayfield Textiles Limited
 Manufactures hand-knitting yarns.

Eversure Textiles Limited
 Manufactures ready-made curtains.

Burmatex Limited
 Manufactures fiber bonded carpet and loose lay carpet tiles.

Sirdar Data Systems Limited
 Provides data processing services and installs business computer systems.

Transfer Office:

Barclays Bank PLC
 Radbroke Hall
 Knutsford
 Cheshire WA16 9EU, England

Stock Exchange(s): London

Sales & Earnings

	Net Sales	Net Income
1987	£ 48,694,000	£ 3,787,000
1986	38,735,000	6,579,000
1985	36,495,000	6,029,000
1984	33,122,000	6,004,000
1983	30,021,000	4,833,000
	No. of Com. Shares ‡	Earn. per Share ‡
1987	51,665,509	7.31p
1986	47,868,108	13.72
1985	N.A.	12.57
1984	N.A.	12.52
1983	N.A.	10.08

N.A. - Not available.

£ - pound sterling

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	5.15p	—	—
1986	5.15	—	—
1985	4.12	—	—
1984	3.25	—	—
1983	2.53	—	—

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1987	£ 24,176,000	46.79p
1986	32,156,000	67.18

† After allowing for preferred stock at par value.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30	1987	1986
Net sales	£ 48,694	£ 38,735
Cost of sales & expenses	42,575	29,151
Investment gains	(208)	(764)
Interest expense	393	213
Interest income	(103)	(127)
Income before taxes	£ 6,037	£ 10,262
Income taxes	2,250	3,683
Net Income	£ 3,787	£ 6,579

* Included in Costs and Expenses, Depreciation: £ 2,287,000 in 1987 and £ 1,890,000 in 1986.

Assets

As of	1987	1986
Cash	£ 218	£ 5,220
Investments	—	5,782
Accts. receiv., net	9,382	6,519
*Stocks	13,722	9,148
Current Assets	£ 23,322	£ 26,669
Investments	903	903
*Fixed assets	20,686	17,134
Total Assets	£ 44,911	£ 44,706

Liabilities

	(000's)	
Bank overdrafts	£ 6,233	£ 239
Accts. payable	3,307	1,177
Accruals	2,033	1,749
Income taxes	5,153	3,767
Other taxes	493	400
Proposed dividend	1,871	1,675
Curr. Liabilities	£ 19,090	£ 9,007
Deferred inc. taxes	465	3,343
Other deferred taxes	980	—
+Preferred stock	200	200
+Common stock	13,370	11,967
Retained earnings	10,806	20,189
Total Liabilities & Shareholders' Equity	£ 44,911	£ 44,706

* At lower of cost or net realizable value.

‡ Less accumulated depreciation.

+ £ 1 par value; 7 1/2% cumulative.

+ + 25p par value.

Statistical Summary

%Income bef. Taxes to Sales	12.40	26.49
%Net Income to Sales	7.78	16.98
%Net Income to Equity	15.54	20.33
Sales to Inventories	3.55	4.23
Debt to Equity	0.26	0.01
Working Capital	£ 4,232,000	£ 17,662,000
Current Ratio	1.22	2.96
Shareholders' Equity	£ 24,376,000	£ 32,356,000

Smith & Nephew Associates Companies plc

2 Temple Place
Victoria Embankment
London WWC2R 3BP, England
01-836 7922

Officers: Eric Kinder, chief executive; Michael J. Kiely, Group Management Executive-Australasia, S.E. Asia and Far East; John L. Rennocks, group finance; John H. Robinson, Group Management Executive-United Kingdom and Europe; Terry F. Winter, Group Management Executive-North America; Alan R. Fryer, Group Management Executive-United Kingdom; Jack R. Blair, Group Management Executive-U.S.A.; Leon Fern, Group Management Executive-U.S.A.; Robert Grantham, Group Management Executive-United Kingdom; Pierre J. Neethling, Group Management Executive-Southern Africa; Alan Suggett, Group Research; Keith Tattersall, Group Management Executive-United Kingdom; John L. Rennocks, secretary.

Directors: Kenneth R. Kemp, chairman; Eric Kinder, chief executive & deputy chairman; Michael J. Kiely, M. Alastair F. Macpherson, John L. Rennocks, John H. Robinson, Terry F. Winter, Alan R. Fryer.

Business Activities: Textile products include cotton yarn and woven fabrics for medical and industrial products; denim fabrics and indigo-dyed yarn for garment making; colored woven fabrics for ladies and childrens wear, shirts, household products and furnishings; pull-through fabric for England's Ministry of Defense; bulk surgical cloth; and polypropylene yarns and fabrics for carpeting, industrial and leisure applications.

Textile Subsidiaries:

Smith & Nephew Textiled Limited
United Kingdom

Smith & Nephew Limited
South Africa

Clothing Industries (Mfg.) Company Limited (30% interest)
Malta

Registrar:

Lloyds Bank Plc
Registrar's Department
Goring-by-Sea, Worthing
West Sussex BN12 6DA, England

Stock Exchange(s): London

Sales & Earnings

	Net Sales	Net Income †
1986	£ 480,100,000	£ 60,400,000
1985	423,000,000	47,500,000
1984	374,100,000	31,400,000
1983	314,000,000	28,900,000
1982	272,500,000	22,500,000
	No. of Com. Shares +	Earn. per Share ‡
1986	941,210,526	7.1p
1985	815,879,726	5.9
1984	N.A.	4.9
1983	N.A.	3.9
1982	N.A.	3.2

£ - pound sterling.

N.A. - Not available.

† Including extraordinary losses of £ 100,000 in 1985, £ 5,600,000 in 1984, £ 700,000 in 1983 and £ 1,100,000 in 1982.

+ Adjusted to reflect stock splits.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1986	1985
Medical Healthcare	£ 295,000	£ 242,700
Personal hygiene	44,900	41,100
Toiletries	25,500	24,500
Medical & other textiles	50,000	46,300
Plastics & tapes	88,600	92,100
Intersegment	(23,900)	(23,700)
Total	£ 480,100	£ 423,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1986	2.8p	—	2-for-1
1985	2.325	—	—
1984	1.895	—	6-for-5
1983	1.565	—	9-for-8
1982	1.275	—	9-for-8

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	£ 210,300,000	22.3p
1985	189,600,000	23.2
1984	159,800,000	—
1983	139,600,000	—
1982	124,600,000	—

‡ Adjusted to reflect stock splits.

Smith & Nephew Associates Companies plc

Income Account * (000's)		
Year ended	1/3/87	12/28/85
Net sales	£ 480,100	£ 423,000
Cost of sales	287,200	257,800
Selling & distr. costs	84,100	70,100
Administrative expenses	36,200	32,900
Other income	(8,700)	(4,500)
Interest expense	16,100	18,100
Interest income	(15,000)	(14,100)
Profits of related cos.	(8,000)	(7,900)
Income before taxes	£ 88,200	£ 70,600
Income taxes	27,800	23,000
Net Income	£ 60,400	£ 47,600
Extraord. loss	—	100
Net Income & extraord. loss	£ 60,400	£ 47,500

* Included in Costs and Expenses, Depreciation: £ 15,900,000 in 1986 and £ 13,600,000 in 1985.

Assets (000's)		
As of	1/3/87	12/28/85
Cash	£ 125,100	£ 93,400
Investments	37,000	37,400
Accts. receiv., net	125,900	93,100
*Stocks	129,100	79,300
Current Assets	£ 417,100	£ 303,200
Investments	26,100	21,500
#Fixed assets	157,800	121,900
Total Assets	£ 601,000	£ 446,600

Liabilities (000's)		
Long-term debt, curr.	£ 125,200	£ 57,400
Accts. payable	34,600	25,700
Bills of exch. payable	400	500
Amts. owed to rel. cos.	5,000	200
Social security	6,000	5,700
Accruals & def. inc.	33,400	24,400
Other payables	11,200	6,600
Taxation	17,700	12,400
Dividend	18,700	13,300
Curr. Liabilities	£ 252,200	£ 146,200
Long-term debt	115,800	93,800
Taxation	4,600	3,600
Other payables & gov't grants	5,800	7,600
Other liabilities	12,000	5,500
+Preferred stock	300	300
++Common stock	94,100	40,800
Add. paid-in capital	13,500	48,300
Other reserves	24,000	21,200
Retained earnings	78,700	79,300
Total Liabilities & Shareholders' Equity	£ 601,000	£ 446,600

* At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ £ 1 par value; 3.85% cumulative.
++ 10p par value.

Statistical Summary		
%Income bef. Taxes to Sales	18.37	16.69
%Net Income to Sales	12.58	11.25
%Net Income to Equity	28.68	25.07
Sales to Inventories	3.72	5.33
Debt to Equity	1.14	0.80
Working Capital	£ 164,900,000	£ 157,000,000
Current Ratio	1.65	2.07
Shareholders' Equity	£ 210,600,000	£ 189,900,000

South Sea Textile Manufacturing Company, Limited

Belgian House, 14th Floor
77-79 Gloucester Road,
Hong Kong

Officers: Chester Chin-Chang Tang, secretary.

Directors: Jack Chi-Chien Tang, chairman; Huan-Ling Ho, Oscar L. Tang, Chester Chin-Chang Tang, Yue-Ting Tsong, Kwok-Wah Lau.

Business Activities: The Company engages in spinning and weaving operations and the manufacture of a variety of garments.

Trademarks and/or Brand Names: Upper Class.

Subsidiaries:

All American Apparel, Inc. (60%-owned)
U.S.A.
Garment trading.

All Asia Industries Limited (85%-owned)
Hong Kong
Garment making.

All Asia Industrial Company Limited (85%-owned)
Taiwan
Garment making.

R.D. 2 Shirt Company, Inc.
U.S.A.
Garment trading.

Tristate Industrial Company Limited (85%-owned)
Taiwan and Hong Kong
Garment making.

Stock Exchange(s): Hong Kong

Sales & Earnings x

	Net Sales	Net Income
1986	\$ 700,519,122	\$ 93,153,939
1985	564,051,361	57,913,705

	No. of Com. Shares	Earn. per Share
1986	48,000,000	\$ 1.94
1985	48,000,000	1.21

x Figures are stated in Hong Kong dollars.

Common Stock Equity

	Total Equity	Equity Per Share
1986	\$ 446,537,599	\$ 9.30
1985	471,483,791	9.82

Income Account

Year ended Dec. 31	1986	1985
Net sales	\$ 700,519,122	\$ 564,051,361
Cost of sales & expenses	582,667,898	499,623,828
Expenses:		
Amort. of textile quotas	2,414,012	2,038,286
Depreciation	12,795,586	11,757,321
Exch. gain	(9,176,726)	(3,618,567)
Dividend income	(3,443,631)	(17,205,991)
Interest expense	8,501,078	7,245,595
Interest income	(14,349,791)	(4,505,537)
Profit on sale of text. quote	(5,983,736)	(4,267,721)
Value decrease in invest.	343,792	—
Auditors' remuneration	682,454	599,777
Prov. for staff bonus	7,176,017	2,550,209
Income before taxes	\$ 118,892,169	\$ 69,834,161

Income taxes	16,337,135	9,966,889
Minority interests	9,401,095	1,953,567
Net Income	\$ 93,153,939	\$ 57,913,705

Assets

As of Dec. 31	1986	1985
Cash	\$ 375,505,208	\$ 70,276,624
Short-term invest.	18,482,526	1,341,089
Accts. receiv. net	63,519,927	54,044,636
*Stocks	114,352,552	95,939,238
Current Assets	\$ 571,860,213	\$ 221,601,587
Investment	7,633,058	176,202,490
Assoc. company	176,369,340	168,253,425
Perm. text. quotas	5,561,846	7,303,217
#Fixed assets	134,231,593	125,529,213
Staff housing loans	1,374,880	2,205,949
Total Assets	\$ 897,030,930	\$ 701,095,881

Liabilities

Bank loans & overdrafts	\$ 182,048,208	\$ 60,560,379
Accts. payable	130,921,080	95,181,029
Loan from minority interest	468,000	390,240
Prov. for claims	600,000	600,000
Proposed dividend	108,000,000	48,000,000
Proposed dividend to min. init.	5,142,000	5,400,000
Income taxes	13,008,928	8,080,167
Curr. Liabilities	\$ 440,188,216	\$ 218,211,815
Minority interest	10,305,115	11,400,275
+Common stock	48,000,000	48,000,000
Reserves	262,388,411	315,320,302
Add. paid-in capital	136,149,188	108,163,489
Retained earnings	—	—
Total Liabilities & Shareholders' Equity	\$ 897,030,930	\$ 701,095,881

* At lower of cost and net realizable value.
Less accumulated depreciation.
+ HK\$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	16.97	12.38
%Net Income to Sales	13.30	10.27
%Net Income to Equity	20.86	12.28
Sales to Inventories	6.13	5.88
Debt to Equity	0.41	0.13
Working Capital	\$ 131,671,997	\$ 3,389,772
Current Ratio	1.30	1.02
Shareholders' Equity	\$ 446,537,599	\$ 471,483,791

Spiegel, Inc.

1515 West 22nd Street
Oak Brook, Illinois 60522
(312) 986-8800

(Spiegel Holdings Inc. holds 97.5% of the Company's Class B Voting common stock.)

Officers: Michael Otto, chairman of the board; John J. Shea, president & chief executive officer; Kenneth A. Bochenki, sr. v.p.-operations & information services; Alton M. Withers, sr. v.p. & chief financial officer; Robert E. Conradi, v.p.-merchandise; David C. Moon, v.p.-merchandise; Leo J. Sansone, v.p.-merchandise; Harold S. Dahlstrand, v.p.-human resources; Stanley D. Liebowitz, v.p.-corp. planning; R. Joseph McLaughlin, v.p.-finance; Michael R. Moran, v.p., secretary & general counsel; Sheila W. Sarovich, v.p.-advertising; Karl A. Steigerwald, v.p.-information services; John L. Semmelhack, v.p.-marketing; Georgia L. Shonk-Simmons, v.p. & corp. fashion director; Joseph A. Stubits, v.p.-credit; John M. Casey, treasurer.

Directors: Michael Otto, chairman; John J. Shea, Kenneth A. Bochenki, Hans-Christoph Fischer, Egon Hagen, Horst R. Hansen, Karl-August Hopmann, Max Kullmann, Jay A. Lipe, Peter Mueller, Alton M. Withers.

Business Activities: In the apparel area, the Company designs, coordinates the manufacture of, and markets exclusively to its target customers, women's apparel under the brand names "Design Studio Spiegel" and "Vibes, Rhythm & Fashion." The Company's primary business activity is the marketing of wearing apparel, household furnishings and other general merchandise through catalogs distributed to over 30 million households throughout the U.S. Through Honeybee, Inc., a 74.8%-owned subsidiary, the Company operates 19 retail stores that sell medium to upper price, brand-name and designer women's apparel in eight states. Through Eddie Bauer, Inc., the Company operates 80 retail stores in 17 states and two Canadian provinces. These stores offer outdoor-oriented sportswear, footwear and specialty hardware for active men and women. The Company also operates 10 Ultimate Outlet retail stores in the Chicago area. These stores offer off-price merchandise, primarily composed of Spiegel's overstock inventory. Each of the Company's retail operations also sells merchandise through mail-order catalogs.

Trademarks and/or Brand Names: Design Studio Spiegel, Vibes, Rhythm & Fashion.

Subsidiaries:

Honeybee, Inc.
681 Fifth Avenue
New York, New York 10022
(212) 752-8851

Cara Corporation
1901 S. Meyers Road
Suite 120
Oakbrook Terrace, Illinois 60148

Spiegel Acceptance Corporation
400 West 9th Street
Suite 101
Wilmington, Delaware 19801

Acquisition:

Eddie Bauer, Inc.
15010 N.E. 36th Street
Redmond, Washington 98052
(206) 882-6100

Transfer Agent(s):

Harris Trust and Savings Bank
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s):

Ticker Symbol: SPGLA* (NASDAQ) *Class A Non-Voting common stock

Sales & Earnings			
	Net Sales	Net Income	
1988	\$ 1,401,992,000	\$ 56,962,000	
1987	1,065,250,000	49,211,000	
1986	1,002,230,000	36,209,000	
1985	850,084,000	12,962,000	
1984	722,807,000	2,006,000	
	No. of Com. Shares	Earn. per Share +	
1988	51,945,827	\$ 1.18	
1987	44,500,000	1.22	
1986	39,000,000	0.92	
1985	39,000,000	0.33	
1984	39,000,000	0.05	

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 0.24	—	—
1987	0.35	—	—
1986	0.14	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 357,616,000	\$ 6.88
1987	237,800,000	5.34
1986	129,379,000	3.32
1985	108,456,000	2.78
1984	95,494,000	2.45

Income Account* (000's)

Year Ended Dec. 31	1988	1987
Net sales	\$ 1,232,100	\$ 926,835
Finance revenue	130,116	116,055
Other income	39,776	22,360
Total income	\$ 1,401,992	\$ 1,065,250
Cost of sales	803,301	605,028
Expenses	450,027	347,966
Interest expense	56,149	40,050
Income before taxes	\$ 92,515	\$ 72,206
Income taxes	35,553	31,095
Cum. effect of acct. change	—	(8,000)
Net Income	\$ 56,962	\$ 49,111

* Included in Costs and Expenses, Depreciation and Amortization: \$13,561,000 in 1988 and \$8,765,000 in 1987.

Assets (000's)

As of Dec. 31	1988	1987
Cash	\$ 14,670	\$ 3,476
Accts. receiv., net	597,530	626,500
*Inventories	199,390	148,732
Prepaid expenses	32,852	29,723
Current Assets	\$ 844,442	\$ 808,431
#Fixed assets	117,480	41,840
Other assets	244,978	1,620
Total Assets	\$ 1,206,900	\$ 851,891

Liabilities (000's)

Long-term debt, curr.	\$ 16,500	\$ 12,500
Accts. payable	122,143	94,452
Accrued payroll	17,042	15,447
Other accruals	55,662	17,166
Deferred income taxes	17,846	20,226
Current Liabilities	\$ 229,193	\$ 159,791
Long-term debt	532,000	412,500
Deferred inc. taxes	88,091	41,800
+Common stock:		
Class A	6,000	6,000
Class B	46,571	39,000
Add. paid-in capital	154,229	86,690
Retained earnings	156,353	110,517
Treasury stock	(5,537)	(4,407)
Total Liabilities & Shareholders' Equity	\$ 1,206,900	\$ 851,891

* At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ \$1 par value.

Statistical Summary

% Income bef. Taxes to Sales	7.51	7.79
% Net Income to Sales	4.62	5.30
% Net Income to Equity	15.93	20.65
Sales to Inventories	6.18	6.23
Debt to Equity	1.53	1.79
Working Capital	\$ 615,249,000	\$ 606,840,000
Current Ratio	3.68	4.01
Shareholders Equity	\$ 357,616,000	\$ 237,800,000

Springs Industries, Inc.

205 North White Street
P.O. Box 70
Fort Mill, South Carolina 29715
(803) 547-3650

Officers: Walter Y. Elisha, chairman & chief executive officer; W. Paul Tippet, president & chief operating officer; Murphy L. Fontenot, exec. v.p.; John V. Cauthen, group v.p.-manufacturing; Julius Lasnick, exec. v.p.; Robert W. Moser, group v.p.-manufacturing; A. Ward Peacock, exec. v.p. & chief financial officer; Hansel B. Millican, sr. v.p.-diversified products; Bruce F. Roberts, sr. v.p.-corp. relations; J. Spratt White, sr. v.p., general counsel & corp. secretary; Charles L. Abrams, Jr., v.p.-corp. engineering; William K. Easley, v.p.-human resources; Wilbert R. Littleton, v.p.-information systems; Torrence W. Shealy, v.p.-quality assurance; Charles M. Harrell, v.p.-financial planning; Robert S. Hudspeth, v.p.-purchasing; James E. Hendrix, v.p.-research & development; William L. Weaver, v.p.-facilities planning; Robert L. Thompson, Jr., v.p.-public affairs; James F. Zahn, treasurer; John A. B. Palmer, controller.

Directors: Crandall C. Bowles*, Charles W. Coker*, Walter Y. Elisha*, Donald N. Frey, James P. Kelly, Dan M. Krause, Julius Lasnick*, Donald S. Perkins, Arthur W. Schultz, Ralph Z. Sorenson, W. Paul Tippet*, Stewart Turley.

* Member of the Executive Committee

Business Activities: Manufactures and markets woven and non-woven fabrics in a broad variety of fibers, finishes, colors and printed patterns; produces woven industrial fiber glass fabrics; home furnishing products include sheets, pillowcases, quilted bedspreads, and bed accessories, among others.

Textile Trademarks and/or Brand Names: Springmaid, Skinner, Ultrasuede, Wamsutta, Pacific, Graber, Fashion-Pleat, Performance, Wondercale, Supercal, Custom Designs, Pacific Silvercloth, Superlin, Radiance, Kevlar, Cozy Cafe.

Plant Locations: Fort Lawn, Chester, Kershaw, Grace, Lancaster, Fort Mill, Honea Path, Gaffney, Anderson, Columbia, Lyman, Rock Hill, SC; Laurel Hill, Biscoe, Morgantown, NC; Dalton, Calhoun, Washington, Cleveland, GA; Piedmont, Huntsville, AL; Middleton, WI; Santa Fe Springs, CA; Battise, Belgium.

Divisions and Subsidiaries:

Finished Fabrics Division
104 West 40th Street
New York, New York 10018
(212) 556-6000
Woven fabrics for apparel and decorative home furnishings.

Consumer Fashion Division
787 Seventh Avenue, 28th Floor
New York, New York 10019
(212) 556-6000
Packaged sheets, pillowcases, bath products, draperies and quilted bedspreads.

Diversified Products Division
104 West 40th Street
New York, New York 10018
(212) 556-6500
Woven, non-woven, and knitted fabrics for home sewing and specialty manufacturers.

Springs Industries, Inc.

Performance Products Division
295 Fifth Avenue
Room 612
New York, New York 10016
Textile home furnishings.

Graber Industries, Inc.
7549 Graber Road
Middleton, Wisconsin 53562
Window decorating products.

Wamsutta/Pacific Home Products Division
1285 Avenue of the Americas
New York, New York 10019

Textile Manufacturing Division
P.O. Box 70
Fort Mill, South Carolina 29715

M. Lowenstein Corporation
1430 Broadway
New York, New York 10018
Manufactures woven fibers and home furnishings.

Clark-Schweibel Fiber Glass Corporation
5 Corporate Park Drive
P.O. Box 851C
White Plains, New York 10603
Manufactures woven industrial fiber glass fabrics.

Transfer Agent(s):

Wachovia Bank & Trust Company, N.A.
P.O. Box 3001
Winston-Salem, North Carolina 27102

Stock Exchange(s): New York

Ticker Symbol: SMI

Sales & Earnings

	Net Sales +	Net Income
1988	\$ 1,824,800,000	\$ 52,800,000
1987	1,661,100,000	55,700,000
1986	1,505,000,000	32,600,000
1985*	1,013,500,000	13,300,000
1984	945,000,000	36,100,000

	No. of Com. Shares †	Earn. per Share †
1988	17,718,000	\$ 2.98
1987	17,786,000	3.12
1986	17,796,000	1.83
1985*	17,774,000	0.75
1984	17,768,000	2.03

* 53 weeks.

+ Of continuing operations only.

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business (000's)

	1988	1987
Home furnishings	\$ 772,600	\$ 728,500
Finished fabrics	638,500	697,500
Industrial fabrics	413,700	235,100
Total	\$ 1,824,800	\$ 1,661,100

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1987	\$ 0.82	—	2-for-1
1986	0.76	—	—
1985	0.76	—	—
1984	0.76	—	—
1983	0.76	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1988	\$ 541,608,000	\$ 30.57
1987	505,000,000	28.64
1986	464,600,000	26.24
1985	442,200,000	25.03
1984	441,200,000	25.03

† Adjusted to reflect stock split.

Income Account* (000's)

Year ended	12/31/88	1/2/88
Net sales	\$ 1,824,760	\$ 1,661,126
Cost of sales	1,470,108	1,323,552
Expenses	232,950	217,353
Restructuring costs	18,000	—
Interest expense	26,898	26,594
Interest income	(4,247)	(7,524)
Other income	(4,130)	(396)
Income bef. taxes	\$ 85,181	\$ 1,547
Income taxes	32,335	45,835
Net Income	\$ 52,846	\$ 55,712

* Included in Costs and Expenses, Depreciation and Amortization: \$63,057,000 in 1988 and \$58,430,000 in 1987.

Assets (000's)

As of	12/31/88	1/2/88
Cash & cash equiv.	\$ 67,052	\$ 132,283
Accts. receiv., net	301,779	296,024
*Inventories	230,947	198,504
Other curr. assets	19,090	13,282
Current Assets	\$ 618,868	\$ 640,093
#Fixed assets	424,500	393,140
Other assets & deferred charges	74,889	50,454
Total Assets	\$ 1,118,257	\$ 1,083,687

Liabilities (000's)

Long-term debt, curr.	\$ 17,124	\$ 16,629
Accts. payable	104,962	112,377
Accrued retire. pay	23,829	28,935
Accrued restruc. costs	17,614	—
Other accruals	65,577	54,058
Curr. Liabilities	\$ 229,106	\$ 211,999
Long-term debt	238,473	256,849
Deferred inc. taxes	56,460	57,755
Deferred compen.	37,462	33,107
Deferred credits	15,148	18,952
+Common stock:		
Class A	1,873	4,469
Class B	2,596	—
Add. paid-in capital	9,381	9,211
Retained earnings	527,145	491,814
Treasury stock - Class A	(4,403)	(4,730)
Curr. trans. adjust.	5,016	4,261
Total Liabilities & Shareholders' Equity	\$ 1,118,257	\$ 1,083,687

* At lower of cost (LIFO) or market.

Less accumulated depreciation and amortization.

+ \$0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.67	6.11
%Net Income to Sales	2.90	3.35
%Net Income to Equity	9.76	11.03
Sales to Inventories	7.90	8.37
Debt to Equity	0.47	0.54
Working Capital	\$ 389,762,000	\$ 428,094,000
Current Ratio	2.70	3.02
Shareholders' Equity	\$ 541,608,000	\$ 505,025,000

Stage II Apparel Corp.

350 Fifth Avenue
New York, New York 10118
(212) 564-5865

Officers: Jack Clark, chairman of the board; Robert Plotkin, president; Jerome Beckerman, exec. v.p.-sales; Herbert E. Young, exec. v.p.-operations; Philip London, treasurer & controller; Lucy Clark, secretary; Lori A. Zimmerman, v.p.-merchandising/design; Howard Weinreich, v.p.-production; David W. Berger, vice chairman, & president-Top Seed, Inc.; Richard S. Treiter, v.p.-finance; Henry T. Wein-er, v.p.-Spalding.

Directors: Jack Clark, chairman; Robert Plotkin, Philip London, Milton Steinberg, Lucy Clark, Steven R. Clark.

Business Activities: Designs and arranges for the manufacture of an extensive range of casual apparel and activewear, primarily for men and boys, which it markets to mass merchandisers under a number of nationally recognized brand names and to a lesser extent under private and proprietary labels.

Trademarks and/or Brand Names: Bon Jour*, Bronzini*, Fred Perry*, Jimmy Connors*, McGregor*, Slazenger*, Members Only*, Playboy*, Manhattan*, Main Event, Pro Tour, Top Seed, Beverly Hills*, Polo Club*.

*Under licensing agreement.

Subsidiaries:

Top Seed, Inc.
Stage II Apparel Corp. of Hong Kong Ltd.

Transfer Agent:

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: SA

Sales & Earnings

	Net Sales	Net Income
12/31/88*	\$ 61,846,000	\$ 2,897,000
5/31/88	82,540,000	3,179,000
5/31/87	50,938,000	3,225,000
5/31/86	35,581,000	1,716,000
5/31/85	35,481,000	2,078,000

	No. of Com. Shares †	Earn. per Share †
12/31/88*	4,285,000	\$ 0.68
5/31/88	3,942,000	0.81
5/31/87	3,302,000	0.98
5/31/86	3,302,000	0.52
5/31/85	3,601,000	0.58

* 7 months.

† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
12/31/88	\$ 21,689,000	\$ 5.06
5/31/88	18,814,000	4.77
5/31/87	9,022,000	2.73
5/31/86	5,818,000	1.76
5/31/85	4,170,000	1.16

† Based on the weighted average number of common shares and common share equivalents outstanding.

The Stride Rite Corporation

Income Account *

Year ended	12/31/88 (7 months)	5/31/88
Net sales	\$ 61,846,215	\$ 82,540,029
Cost of sales	46,320,985	61,027,029
Commission & other inc.	(929,274)	(1,692,911)
Expenses	9,914,836	15,902,251
Interest expense	3,033,442	2,850,475
Interest income	(342,364)	(573,147)
Income before taxes	\$ 3,848,590	\$ 5,026,332
Income taxes	951,464	1,847,065
Net Income	\$ 2,897,126	\$ 3,179,267

* Included in Costs and Expenses, Depreciation and Amortization: \$66,202 in the period ending 12/31/88 and \$111,952 in the year ending 5/31/88.

Assets

As of	12/31/88	5/31/88
Cash	\$ 3,860,503	\$ 1,716,302
Accts. receiv., net	2,286,878	2,378,308
*Inventories	23,231,465	21,226,681
Prepaid expenses	934,735	892,280
Prepaid inc. taxes	—	628,933
Deferred inc. taxes	130,516	230,516
Current Assets	\$ 30,444,097	\$ 27,073,020
#Fixed assets	1,066,141	652,635
Market secur.	4,789,185	5,006,201
Cost in exc. of assets acq.	2,547,141	2,623,142
Covenant not to compete	716,664	833,333
Other assets	1,975,105	1,606,649
Total Assets	\$ 41,538,333	\$ 37,794,980

Liabilities

Notes payable	\$ 2,043,052	\$ 310,531
Accts. payable	9,375,073	5,491,368
Due to factor	6,406,353	9,335,253
Income taxes	631,343	1,019,134
Accrued royalties	708,483	730,570
Other current liabilities	336,515	211,394
Curr. Liabilities	\$ 19,500,819	\$ 17,098,250
Notes payable	—	1,389,713
Deferred credit	347,713	492,575
+Common stock	50,135	50,135
Add. paid-in capital	6,860,697	6,820,446
Retained earnings	15,692,176	12,795,050
Treasury stock	(913,207)	(851,189)
Total Liabilities & Shareholders' Equity	\$ 41,538,333	\$ 37,794,980

* At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.22	6.09
%Net Income to Sales	4.68	3.85
%Net Income to Equity	13.36	16.90
Sales to Inventories	2.66	3.89
Debt to Equity	0.09	0.09
Working Capital	\$ 10,943,278	\$ 9,974,770
Current Ratio	1.56	1.58
Shareholders' Equity	\$ 21,689,801	\$ 18,814,442

State-O-Maine, Inc.

10 West 33rd Street
New York, New York 10001
(212) 244-1111

Officers: Milton Weinick, chairman of the board & secretary; Harvey Sanders, president & treasurer; David Chu, pres. Nautica Apparel, Inc.; Keith Munroe, sr. v.p. marketing.

Directors: Harvey Sanders, Milton Weinick, David Chu, George Greenberg.

Business Activities: Manufactures & distributes men's swimwear, loungewear, robes, and sportswear, and women's outerwear, activewear and sportswear. Also operates two men's retail clothing stores in New York City and Costa Mesa, California, under the Nautica name.

Trademarks and/or Brand Names: State-O-Maine, Nautica, Christian Dior*.

*Under licensing agreement.

Plant Location(s): Rockland, Maine.

Subsidiaries:

Van Baalen Pacific Corp.
Nautica Apparel, Inc.
Nautica Retail N.Y., Inc.
Nautica Retail Costa Mesa, Inc.
Nautica Hong Kong Limited

Transfer Agent(s):

Harris Trust Company of New York
77 Water Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SOME (NASDAQ)

Sales & Earnings

	Net Sales +	Net Income
1989	\$ 74,991,070	\$ 5,426,876
1988	55,267,944	4,062,108
1987	36,252,833	2,087,874
1986	28,925,861	1,572,695
1985	26,251,323	1,527,556
	No. of Com. Shares #	Earn. per Share #
1989	3,577,433	\$ 1.52
1988	2,864,386	1.42
1987	2,610,955	0.80
1986	2,598,716	0.61
1985	2,580,372	0.59

+ Of continuing operations only.
Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	6-for-5
1988	—	—	—
1987	—	—	6-for-5

Common Stock Equity

	Total Equity	Equity Per Share #
1989	\$ 32,506,762	\$ 9.09
1988	16,224,345	5.66
1987	9,955,179	3.81
1986	7,856,955	3.03
1985	6,240,710	2.42

#Based on the average number of shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended	1989	1988
Feb. 28		
Net sales	\$ 74,991,070	\$ 55,267,944
Cost of sales	46,230,798	34,013,363
Expenses	18,818,634	13,268,871
Interest expense	609,136	879,021
Other income	(332,580)	(354,560)
Income before taxes	\$ 9,665,062	\$ 7,461,249
Income taxes	4,238,206	3,383,285
Minority interest	—	15,856
Net Income	\$ 5,426,876	\$ 4,062,108

* Included in Costs and Expenses, Depreciation and Amortization: \$743,456 in 1989 and \$540,466 in 1988.

Assets

As of Feb. 28	1989	1988
Cash	\$ 1,498,385	\$ 940,023
Accts. receiv., net	14,091,900	7,784,036
*Inventories	8,376,522	9,377,272
Prepaid expenses	1,561,987	934,461
Other curr. assets	1,713,700	1,514,427
Purchased quota	194,257	194,257
Deferred tax benefit	576,320	228,900
Current Assets	\$ 28,013,071	\$ 20,973,346
#Fixed assets	6,932,258	4,589,596
Other assets	3,167,088	3,215,613
Total Assets	\$ 38,112,417	\$ 28,778,585

Liabilities

Notes payable	\$ —	\$ 6,473,000
Long-term debt, curr.	67,333	380,333
Accts. payable	1,374,682	1,327,959
Accruals	2,899,262	2,192,864
Income taxes	275,181	367,764
Curr. Liabilities	\$ 4,616,458	\$ 10,741,920
Long-term debt	619,337	1,532,920
Def. inc. taxes	369,860	279,400
+Common stock	391,903	247,587
Add. paid-in capital	13,381,408	3,157,222
Common stock options outstanding	2,352,108	1,832,000
Retained earnings	18,067,468	12,640,592
Treasury stock	(64,707)	(65,322)
Def. comp. on stock options	(1,621,418)	(1,587,734)
Total Liabilities & Shareholders' Equity	\$ 38,112,417	\$ 28,778,585

* At lower of cost (LIFO) or market.
Less accumulated depreciation.
+ \$0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.89	13.50
%Net Income to Sales	7.24	7.35
%Net Income to Equity	16.69	25.04
Sales to Inventories	8.95	5.89
Debt to Equity	0.02	0.12
Working Capital	\$ 23,396,613	\$ 10,231,456
Current Ratio	6.07	1.95
Shareholders' Equity	\$ 32,506,762	\$ 16,224,345

The Stride Rite Corporation

5 Cambridge Center
Cambridge, Massachusetts 02142
(617) 491-8800

Officers: Arnold Hiatt, chairman & chief exec. officer; Michael W. Rayden, president & chief operating officer; John J. Phelan, exec. v.p. & treasurer; Michel Y. Ohayon,

The Stride Rite Corporation

exec. v.p.-sourcing: Ronald Sykes, sr. v.p.-human resources; Marcia C. Morris, sr. v.p., general counsel, secretary & clerk; John M. Kellher, corp. controller.

Directors: Arnold Hiatt, chairman of the board; John J. Phelan, Walter J. Salmon, Myles J. Slosberg, Michael W. Rayden, Margaret A. McKenna, Donald R. Gant.

Business Activities: Manufactures and markets children's footwear under the names Stride Rite, Keds and Zips, boating and recreational shoes under the name Sperry Top-Sider; and casual and athletic footwear for children and adults under the names Keds, Pro-Keds and Grasshoppers. These products are sold through independent retail shoe stores, department stores, sporting good stores and marinas, as well as through its 201 Stride Rite Bootery stores, and 67 leased departments in leading department stores.

Trademarks and/or Brand Names: Stride Rite, Zips, Sperry, Sperry Top-Sider, Herman, Herman Survivors, Keds, Pro-Keds, Grasshoppers.

Plant Locations: Boston, New Bedford, Massachusetts; Tipton, Fulton, Hamilton, Missouri; Puerto Rico.

Subsidiaries:

Joseph M. Herman Shoe Company, Inc.
The Keds Corporation
Sperry Top-Sider Inc.
Stride Rite Footwear, Inc.
Stride Rite International, Ltd.
Stride Rite Retail Corp.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts 02102

Stock Exchange(s):

New York

Ticker Symbol:

SRR

Sales & Earnings

	Net Sales ‡	Net Income †
1988	\$ 378,788,000	\$ 31,786,000
1987	293,767,000	24,121,000
1986	245,317,000	17,014,000
1985	237,750,000	11,178,000
1984	247,611,000	5,420,000
	No. of Com. Shares +	Earn. per Share ‡
1988	13,436,000	\$ 2.31
1987	13,816,000	1.60
1986	15,064,000	1.12
1985	15,058,000	0.74
1984	14,990,000	0.36

Of continuing operations only.

† Including extraordinary gain of \$489,000 (\$0.03 per share) in 1985.

+ Adjusted to reflect stock split.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1988	\$ 0.550	—	—
1987	0.455	—	—
1986	0.400	—	—
1985	0.400	—	—
1984	0.400	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 134,030,000	\$ 9.98
1987	119,237,000	8.63
1986	122,729,000	8.15
1985	111,526,000	7.41
1984	105,674,000	7.05

‡ Adjusted to reflect stock split.

Income Account *

Year ended	12/2/88	11/27/87
Net sales	\$ 378,788,000	\$ 293,767,000
Cost of sales	214,047,000	166,404,000
Expenses	106,920,000	87,206,000
Invest. income	(1,195,000)	(1,503,000)
Interest expense	1,740,000	888,000
Other	(252,000)	(1,050,000)
Income before taxes	\$ 57,528,000	\$ 41,822,000
Income taxes	22,788,000	18,095,000
Inc.-cont. oper.	\$ 34,740,000	\$ 23,727,000
Inc. (loss)-discont. oper.	(4,677,000)	394,000
Cum. effect of acct. change	1,723,000	—
Net Income	\$ 31,786,000	\$ 24,121,000

* Included in Costs and Expenses, Depreciation and Amortization: \$3,933,000 in 1988 and \$3,609,000 in 1987.

Assets

As of	12/2/88	11/27/87
Cash & cash equiv.	\$ 12,643,000	\$ 5,089,000
Marketable securities	—	19,729,000
Accts. receiv., net	59,690,000	43,523,000
*Inventories	108,874,000	62,019,000
Deferred inc. taxes	11,691,000	10,031,000
Prepaid expenses	2,466,000	3,195,000
Net assets-discont. oper.	16,236,000	25,605,000
Current Assets	\$ 211,600,000	\$ 169,191,000
#Fixed assets	23,301,000	18,145,000
Other assets	6,601,000	3,608,000
Intangibles	1,736,000	1,826,000
Total Assets	\$ 243,238,000	\$ 192,770,000

Liabilities

Long-term debt, curr.	\$ 833,000	\$ 990,000
Short-term borrowings	29,600,000	—
Accts. payable	17,417,000	12,709,000
Inc. taxes pay.	17,417,000	12,709,000
Accruals	24,999,000	19,570,000
Curr. Liabilities	\$ 91,622,000	\$ 54,024,000
Long-term debt	6,667,000	8,755,000
Deferred inc. taxes	10,919,000	10,754,000
+Common stock	7,603,000	7,603,000
Add. paid-in capital	29,870,000	29,733,000
Retained earnings	126,999,000	102,683,000
Treasury stock	(30,442,000)	(20,782,000)
Total Liabilities & Shareholders' Equity	\$ 243,238,000	\$ 192,770,000

* At lower of cost (LIFO) or market.

Less accumulated depreciation.

+ \$0.50 par value.

Statistical Summary

%Net Income to Equity	23.72	20.23
Sales to Inventories	3.48	4.74
Debt to Equity	0.28	0.08
Working Capital	\$ 119,978,000	\$ 115,167,000
Current Ratio	2.31	3.13
Shareholders' Equity	\$ 134,030,000	\$ 119,237,000

Suave Shoe Corporation

14100 Northwest 60th Avenue
Miami Lakes, Florida 33014
(305) 822-7880

Officers: David Egozi, chairman of the board, president & chief executive officer; Eugene D. Ramos, sr. v.p. & gen. mgr.-Shoe Manufacturing Division; Solomon G. Garazi, chairman-Shoe Import Division; Saul Ginzburg, president & chief exec. officer-Shoe Import Division; Luis Arizurieta, v.p.-finance & administration, Shoe Import Division; Pedro Mirones, secretary, treasurer & asst. gen. mgr.-Shoe Manufacturing Division; Carlos Alvarado, v.p.-management information systems, Shoe Manufacturing Division; Francisco Liaca, exec. v.p.-Shoe Import Division; Luis Egozi, v.p.-marketing, Shoe Manufacturing Division; Sergio Echeverria, v.p.-finance & controller, Shoe Manufacturing Division; Jose Marroquin, asst. secretary.

Directors: David Egozi*, chairman; Solomon Garazi*, Saul Ginzburg, Charles Dascal, E. Moulton Prussing, Larry J. Hoffman, Joel Newman, Luis Egozi, Eugene D. Ramos.

* Member of the Executive Committee

Business Activities: Manufactures, designs, imports and markets unbranded and private label men's, boys', women's and girls' athletic and leisure footwear.

Plant Locations: Miami Lakes and Hialeah, Florida.

Divisions and Subsidiaries:

Shoe Import Division
Shoe Manufacturing Division
Oriental Trading Corporation
Shoe Supply, Inc.
Universe Shoe Corporation of Florida

Transfer Agent(s):

Southeast Bank, N.A.
P.O. Box 014078
Miami, Florida 33101

Stock Exchange(s):

New York

Sales & Earnings

	Net Sales	Net Income †
1988	\$ 76,461,000	\$ (161,000)
1987	71,436,000	1,989,000
1986	75,351,000	2,623,000
1985	84,023,000	(3,440,000)
1984	96,430,000	(256,000)
	No. of Com. Shares	Earn. per Share ‡
1988	1,892,118	\$ —
1987	2,772,170	0.71
1986	2,637,170	0.99
1985	2,637,170	—
1984	2,637,170	—

(Loss)

† Including extraordinary gains of \$192,000 (\$0.07 per share) in 1987 and \$228,000 (\$0.09 per share) in 1986.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ —	—	—
1987	—	—	—
1986	—	—	—
1985	—	—	—
1984	0.225	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 20,827,000	\$ 11.01
1987	29,105,000	10.50
1986	26,240,000	9.95
1985	23,617,000	8.96
1984	29,057,000	11.02

Income Account *

Year ended Sept. 30	1988	1987
Net sales	\$ 76,461,000	\$ 71,436,000
Cost of sales	67,616,000	58,130,000
Expenses	8,476,000	9,087,000
Interest & finance exp.	1,047,000	1,002,000
Interest income	(155,000)	(541,000)
Unreal. loss on invest.	—	354,000
Gain on sale of invest.	(74,000)	—
Income (loss) bef. taxes	\$ (449,000)	\$ 3,404,000
Income taxes (credit)	(137,000)	1,745,000
Eq. in inc. of affil.	(151,000)	(138,000)
Net Income (Loss)	\$ (161,000)	\$ 1,797,000
Extraord. gain	—	192,000
Net Income (Loss) & extraord. gain	\$ (161,000)	\$ 1,989,000

* Included in Costs and Expenses, Depreciation and Amortization: \$1,168,000 in 1988 and \$941,000 in 1987.

Assets

As of Sept. 30	1988	1987
Cash	\$ 1,378,000	\$ 3,250,000
Investments	—	6,744,000
Accts. receiv., net	14,951,000	12,989,000
*Inventories	11,297,000	12,399,000
Prepaid exp. & assets	357,000	570,000
Current Assets	\$ 27,983,000	\$ 35,952,000
Investments & adv.	2,134,000	1,931,000
#Fixed assets	6,889,000	5,360,000
Other assets	1,968,000	1,855,000
Total Assets	\$ 38,974,000	\$ 45,098,000

Liabilities

Notes payable	\$ 3,300,000	\$ 1,000,000
Long-term debt, curr.	—	41,000
Accts. payable	4,364,000	2,057,000
Inc. taxes payable	—	353,000
Accrued payroll	861,000	2,402,000
Other accruals	2,101,000	2,537,000
Curr. Liabilities	\$ 10,626,000	\$ 8,390,000
Convert. debent. - 5%	4,600,000	4,984,000
Deferred comp.	2,921,000	2,619,000
+Common stock	19,000	28,000
Add. paid-in capital	3,854,000	5,998,000
Retained earnings	16,954,000	23,079,000
Total Liabilities & Shareholders' Equity	\$ 38,974,000	\$ 45,098,000

* At lower of cost (primary LIFO) or market.
Less accumulated depreciation.
+ \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	4.77
%Net Income to Sales	—	2.52
%Net Income to Equity	—	6.17
Sales to Inventories	6.77	5.76
Debt to Equity	0.16	0.04
Working Capital	\$ 17,357,000	\$ 27,562,000
Current Ratio	2.63	4.29
Shareholders' Equity	\$ 20,827,000	\$ 29,105,000

Superior Surgical Mfg. Co., Inc.

10099 Seminole Blvd.
P.O. Box 4002
Seminole, Florida 33642-0002
(813) 397-9611

Officers: Gerald M. Benstock, chairman of the board, chief exec. officer & president; Saul Schechter, executive v.p.; Alan D. Schwartz, executive v.p.; Michael Benstock, executive v.p.; Robert M. Green, v.p.; Spencer P. Cohen, v.p.; Anne Fasani, v.p.; Nathan L. Belkin, v.p.; Irving Weissman, v.p.; Earl Pegler, v.p.; John W. Johansen, sr. v.p., treasurer & chief financial officer; Earl Marvin, secretary.

Directors: Gerald M. Benstock*, chairman; Saul Schechter*, Earl Marvin*, Donald H. Wheeler, Alan Schwartz*, Michael Benstock*

* Member of the Executive Committee

Business Activities: Engaged in the production and sale of career apparel, industrial apparel, work clothes, medical and service uniforms and miscellaneous, directly related products, such as embroidered emblems, operating room masks, patient aids and laundry bags.

Trademarks and/or Brand Names: Fashion Seal/Shane Uniforms, Worklon, Fashion Seal Disposables, Universal Cottons, Hallmark Emblems, Kaufman's Uniforms, Martin's Uniforms, Lamar Uniforms, Appel + Brooks + Webber Uniforms, d'Armigene, Tiffany Uniforms, Versa Drape, Gap Wrap.

Plant Locations: Eudora, Lake Village, McGehee & Hamburg, Arkansas; Leesburg & Adel, Georgia; Blountstown, Hernando & Tampa, Florida; Yazo City & Lexington, Mississippi; Delhi, Louisiana; New York, New York.

Divisions and Subsidiaries:

Universal Cottons
Eudora, Arkansas

Shane Uniforms
Cynthiana & Evansville, Indiana

Fashions Seal Uniforms
Leesburg, Georgia Lake Village, Eudora, & McGehee, Arkansas

Fasion Seal Disposables
Lake Village, Arkansas

Martins Uniforms
Tampa & St. Petersburg, Florida
Kenner, Louisiana
Memphis, Tennessee
Atlanta, Georgia
San Antonio, Texas

Worklon Uniforms
McGehee, Arkansas

Lamar Uniforms
Miami, Florida

Appel Uniforms
New York, New York

D'Armigene

Superior Surgical International

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: SGC

Sales & Earnings

	Net Sales	Net Income
1988	\$ 112,389,160	\$ 7,050,216
1987	103,754,711	4,920,200
1986	96,199,750	3,645,120
1985	98,540,419	4,027,123
1984	86,816,735	3,503,111

	No. of Com. Shares	Earn. per Share #
1988	2,266,888	\$ 2.88
1987	2,464,787	2.00
1986	2,439,787	1.50
1985	2,431,112	1.66
1984	2,430,162	1.44

Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	\$ 0.50	—	—
1987	0.44	—	—
1986	0.40	—	—
1985	0.36	—	—
1984	0.32	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 40,318,903	\$ 17.79
1987	40,643,051	16.49
1986	36,506,444	14.96
1985	33,732,315	13.88
1984	30,568,900	12.58

Income Account *

Year ended Dec. 31	1988	1987
Net sales	\$ 112,389,160	\$ 103,754,711
Cost of sales	77,017,969	72,274,836
Expenses	23,470,913	22,286,329
Interest expense	710,062	633,346
Inc. bef. taxes	\$ 11,190,216	\$ 8,560,200
Income taxes	4,140,000	3,640,000
Net Income	\$ 7,050,216	\$ 4,920,200

* Included in Costs and Expenses, Depreciation and Amortization: \$1,657,259 in 1988 and \$1,309,205 in 1987.

Assets

As of Dec. 31	1988	1987
Cash	\$ 708,056	\$ 486,578
Accts. receiv., net	18,559,523	16,046,266
*Inventories	30,616,959	28,988,295
Prepaid expenses	566,365	333,265
Current Assets	\$ 50,450,903	\$ 45,874,404
#Fixed assets	12,490,099	11,518,334
Other assets	689,192	583,787
Intangibles	867,458	874,466
Total Assets	\$ 64,497,652	\$ 58,850,991

Liabilities

Long-term debt, curr.	\$ 726,838	\$ 772,160
Accts. payable	7,442,277	8,947,655
Accruals	3,160,674	2,393,461
Income taxes	1,067,234	371,100
Curr. Liabilities	\$ 12,397,023	\$ 12,484,376

Superior Surgical Mfg. Co., Inc.

Long-term debt	10,381,726	4,123,564
Deferred inc. taxes	1,400,000	1,600,000
+Common stock	2,266,888	2,464,787
Add. paid-in capital	2,809,743	3,055,033
Retained earnings	35,242,272	35,123,231

Total Liabilities & Shareholders' Equity	\$ 64,497,652	\$ 58,850,991
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* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.96	8.25
%Net Income to Sales	6.27	4.74
%Net Income to Equity	17.49	12.11
Sales to Inventories	3.67	3.58
Debt to Equity	0.28	0.12
Working Capital	\$ 58,053,880	\$ 33,390,028
Current Ratio	4.07	3.67
Shareholders' Equity	\$ 40,318,903	\$ 40,643,051

Syms Corp.

Syms Way
Secaucus, New Jersey 07094
(201) 902-9600

Officers: Sy Syms, chairman of the board & chief executive officer; Marcy Syms, president & chief operating officer; Richard B. Diamond, v.p.-finance & treasurer; Irwin Shievel, v.p.-operations; Norman Fately, v.p.-merchandise; Gregory Diamond, v.p.-merchandise; Ira Weiser, v.p.-men's wear; Charles Koopersmith, v.p.-men's wear; Alan Kilman, v.p.-women's wear; Abraham Oliver, v.p.-imports; Timothy Pranschke, v.p.-human resources; Stephen Merns, v.p. & secretary; Robert Syms, v.p.; Richard Morehouse, v.p.-management information systems; Eugene Karp, v.p.-merchandise.

Directors: Sy Syms, chairman of the board; Marcy Syms, Richard B. Diamond, Wilber L. Ross, Jr., J. Sloane Immerman.

Business Activities: Through its A. Sulka & Company Ltd. subsidiary, the Company manufactures dressing gowns, smoking jackets, and certain custom shirts, and arranges for the manufacture of haberdashery. These products are sold under the A. Sulka name through five stores and one leased department bearing the A. Sulka name. Other Company activities include the operation of 22 Syms retail stores, which sell off-price apparel for men, women and children.

Trademarks and/or Brand Names: A. Sulka

Subsidiaries:

A. Sulka & Company Ltd.
Syms Advertising Inc.

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: SYM

Sales & Earnings

	Net Sales	Net Income
1987	\$ 256,756,000	\$ 17,850,000
1986	223,071,000	14,773,000
1985	215,168,000	12,715,000
1984	206,251,000	12,712,000
1983	179,231,000	10,341,000

	No. of Com. Shares	Earn. per Share ‡
1987	17,650,000	\$ 1.01
1986	17,650,000	0.84
1985	17,650,000	0.72
1984	17,650,000	0.72
1983	17,650,000	0.59

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1987	\$ 98,811,000	\$ 5.60
1986	81,031,000	4.59
1985	66,258,000	3.75
1984	53,543,000	3.15
1983	40,831,000	2.31

Income Account* (000's)

Year ended Dec. 31	1987	1986
Net sales	\$ 256,756	\$ 223,071
Cost of sales	171,934	153,317
Expenses	51,919	42,883
Interest expense (income)	342	(295)
Gain on sale of real. est.	—	(2,565)
Income before taxes	\$ 32,561	\$ 29,731
Income taxes	(4,781)	(4,958)
Net income	\$ 17,780	\$ 14,773

* Included in Costs and Expenses, Depreciation and Amortization: \$3,563,000 in 1987 and \$2,342,000 in 1986.

Assets (000's)

As of Dec. 31	1987	1986
Cash	\$ 2,530	\$ 5,991
Accts. receiv., net	1,923	1,828
*Inventories	48,240	36,289
Prepaid expenses	832	991
Deferred inc. taxes	434	—
Current Assets	\$ 53,959	\$ 45,099
#Fixed assets	81,207	59,441
Other assets	2,510	2,315
Total Assets	\$ 137,676	\$ 106,855

Liabilities (000's)

Bank loan	\$ 5,000	\$ 3,000
Long-term debt, curr.	77	71
Cap. lease oblig., curr.	75	63
Accts. payable	18,181	7,768
Accruals	3,609	3,069
Oblig. to cust.	2,003	1,599
Income taxes	856	1,643
Curr. Liabilities	\$ 29,801	\$ 17,213
Long-term debt	4,996	5,073
Cap. lease oblig.	2,265	2,340
Deferred inc. taxes	1,803	1,198
+Common stock	883	883
Add. paid-in capital	11,339	11,339
Retained earnings	86,589	68,809
Total Liabilities & Shareholders' Equity	\$ 137,676	\$ 106,855

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.68	13.33
%Net Income to Sales	6.92	6.62
%Net Income to Equity	17.99	18.23
Sales to Inventories	5.32	6.15
Debt to Equity	0.13	0.13
Working Capital	\$ 24,158,000	\$ 27,886,000
Current Ratio	1.81	2.62
Shareholders' Equity	\$ 98,811,000	\$ 81,031,000

TechKnits, Inc.

10 Grand Avenue
Brooklyn, New York 11205
(718) 875-3299

Officers: Simon Taub, chairman, president & chief exec. officer; Moshe Taub, v.p., treasurer & chief financial accounting officer; Mark Terkeltaub, v.p. & secretary; Yevgeniy Galpert, vice president.

Directors: Simon Taub, chairman; Moshe Taub, Mark Terkeltaub, Edwin Schwimmer, Harvey M. Seidow, Eugene Gross, William Klisvitch, Charles Potter, Monte Wolfson.

Business Activities: Designs, manufactures and distributes medium-priced women's and children's knitted apparel, including sweaters, skirts, pants and activewear sets, which it sells to multi-unit specialty chains on an exclusive basis.

Plant Location: Brooklyn, New York.

Transfer Agent(s):

American Stock Transfer & Trust Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): Philadelphia, Over-the-Counter

Ticker Symbol: KNT (Philadelphia); KNIT (NASDAQ)

Sales & Earnings

	Revenues	Net Income
1989	\$ 8,081,000	\$ 541,000
1988	8,396,000	711,000
1987	7,255,000	632,000
1986	5,046,000	321,000
1985	2,769,000	N.A.

	No. of Com. Shares ‡	Earn. per Share ‡
1989	6,300,000	\$ 0.09
1988	5,533,333	0.13
1987	4,000,000	0.16
1986	4,000,000	0.08
1985	4,000,000	—

N.A.— Not Available

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	\$ 7,529,971	\$ 1.20
1988	7,015,730	1.27
1987	1,692,539	0.42
1986	1,070,056	0.27
1985	753,761	0.19

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Feb 28	1989	1988
Revenues	\$ 8,080,616	\$ 8,395,642
Cost of sales	5,875,955	6,226,776
Expenses	1,089,470	687,958
Interest expense	188,294	151,453
Income before taxes	\$ 926,897	\$ 1,329,455
Income taxes	385,950	618,192
Net Income	\$ 540,957	\$ 711,263

* Included in Costs and Expenses, Depreciation: \$348,561 in 1989 and \$272,244 in 1988.

Assets

As of Feb. 28	1989	1988
Cash	\$ 166,511	\$ 10,595
Cert. of deposit	2,819,364	4,842,907
Accts. receiv., net	1,310,808	635,019
Accrued interest receiv.	14,886	15,592
Prepaid expenses	11,773	13,793
*Inventories	2,896,120	1,973,820
Current Assets	\$ 7,219,462	\$ 7,491,726
#Fixed assets	3,414,765	2,833,757
Loans receivable	167,347	100,216
Deposit on machine purch.	25,000	25,000
Other assets	37,165	17,600
Total Assets	\$ 10,863,739	\$ 10,468,299

Liabilities

Notes payable	\$ 312,864	\$ 275,688
Loan payable-secured	400,000	1,247,951
Loan payable	24,000	24,000
Accts. payable	884,297	617,558
Accruals & taxes payable	139,834	55,254
Income taxes	683,354	440,117
Curr. Liabilities	\$ 2,444,349	\$ 2,660,568
Long-term debt	889,419	792,001
+Common stock	6,300	6,300
Add. paid-in capital	4,648,129	4,648,129
Retained earnings	2,902,248	2,361,301
Treasury stock	(26,706)	—
Total Liabilities & Shareholders' Equity	\$ 10,863,739	\$ 10,468,299

* At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ \$0.001 par value.

Statistical Summary

%Income bef. Taxes to Revenues	11.47	15.84
%Net Income to Revenues	6.69	8.47
%Net Income to Equity	7.18	10.14
Debt to Equity	0.22	0.33
Working Capital	\$ 4,775,113	\$ 4,831,158
Current Ratio	2.95	2.82
Shareholders' Equity	\$ 7,529,971	\$ 7,015,730

Texfi Industries, Inc.

P.O. Box 8400
400 English Road
Rocky Mount, North Carolina 27804
(919) 443-5001

Officers: L. Terrell Sovey, Jr., chairman of the board, president & chief executive officer; Michael A. Miller, exec. v.p., chief financial officer & treasurer; John M. Cochran, v.p.-technology; Braxton Schell, secretary.

Directors: Joseph H. Hamilton, L. Terrell Sovey, Jr., Braxton Schell, James H. Styers, Michael A. Miller, John S. Rainey.

Business Activities: Manufactures and markets various textile products, including yarn, woven greige, finished fabrics, knitted elastic narrow fabric, and fleeced fabric and apparel, for the home furnishing, automotive and various apparel markets.

Plant Location(s): Rocky Mount, Fayetteville, Marion, High Point, Bladenboro, Haw River, and Asheboro, North Carolina.

Divisions and Subsidiaries:

Highland Yarn Mills, Inc.
239 Mill Street
High Point, North Carolina 27260
Manufactures cotton and cotton blend yarns in hosiery, knitted undergarments and active apparel.

Marion Fabrics, Inc.
700 Baldwin Avenue
Marion, North Carolina 28752
Manufactures greige (unfinished) cotton and cotton blend fabric used by the apparel and home furnishings markets.

Texfi Blends
400 English Road
Rocky Mount, North Carolina 27804
Produces finished fabric for use in domestic and export apparel markets as well as fabrics utilized for home furnishings.

Elastex, Inc.
328 Central Avenue
Asheboro, North Carolina 27204
Produces knitted narrow elastic fabric for apparel, automotive and medical applications.

Acquisition:

Vertex Sportswear, Inc.
105 Stone Street
Haw River, North Carolina 27258
Produces knitted, fleeced activewear such as sweatshirts and jogging suits for men, women and children.

Transfer Agent(s):

First Union National Bank
Charlotte, North Carolina

Stock Exchange(s): New York

Ticker Symbol: TXF

Sales & Earnings

	Net Sales	Net Income †
1988	\$ 185,265,000	\$ 11,690,000
1987	162,842,000	9,038,000
1986	85,046,000	142,000
1985	109,111,000	5,143,000
1984	119,672,000	(13,316,000)
	No. of Com. Shares ‡	Earn. per Share ‡
1988	8,174,190	\$ 1.18
1987	8,109,028	1.11
1986	5,554,052	0.03
1985	4,695,817	1.10
1984	4,640,327	—

(Loss)
† Including extraordinary gain of \$4,352,000 (\$0.93 per share) in 1988.

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	4-for-3

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 29,129,000	\$ 3.72
1987	21,018,000	2.61
1986	11,539,000	1.48
1985	5,986,000	1.21
1984	41,000	0.01

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	10/28/88	10/30/87
Net sales	\$ 185,265	\$ 162,842
Cost of sales	159,714	137,736
Expenses	11,402	11,267
Interest expense	2,361	4,310
Other expense (income)	(341)	491
Income bef. taxes	\$ 12,129	\$ 9,038
Income taxes	439	—
Net Income	\$ 11,690	\$ 9,038

* Included in Costs and Expenses, Depreciation and Amortization: \$2,604,000 in 1988 and \$2,399,000 in 1987.

Assets
(000's)

As of	10/28/88	10/30/87
Cash	\$ 5,893	\$ 3,145
Receiv., net	25,569	18,234
*Inventories	19,667	15,527
Prepaid expenses	595	256
Current Assets	\$ 51,724	\$ 37,162
#Fixed assets	34,499	26,725
Other assets	785	1,592
Total Assets	\$ 87,008	\$ 65,479

Liabilities
(000's)

Long-term debt, curr.	\$ 1,109	\$ 2,776
Accts. payable	14,790	14,447
Income taxes	289	—
Other liabilities	3,160	3,671
Curr. Liabilities	\$ 19,348	\$ 20,894
Long-term debt	3,256	9,951
11.25% debentures	9,108	10,738
4.75% debentures	2,767	2,878
Redem. preferred stock	23,400	—
+Common stock	8,089	8,064
Add. paid-in capital	24,701	25,096
Retained earnings (deficit)	(2,071)	(12,142)
Treasury stock	(1,590)	—
Total Liabilities & Shareholders' Equity	\$ 87,008	\$ 65,479

* At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.55	—
%Net Income to Sales	6.31	5.55
%Net Income to Equity	40.13	43.00
Sales to Inventories	9.42	10.49
Debt to Equity	0.15	0.61
Working Capital	\$ 32,376,000	\$ 16,268,000
Current Ratio	2.67	1.78
Shareholders' Equity	\$ 29,129,000	\$ 21,018,000

Thomaston Mills, Inc.

Thomaston Mills, Inc.

P.O. Box 311
Thomaston, Georgia 30286
(404) 647-7131

Officers: Neil H. Hightower, president & chief exec. officer; H. Stewart Davis, exec. v.p.-finishing; Harry W. Ormand, Jr., v.p.-finishing; W. Harrison Hightower, III, v.p.-administration; John R. Carson, v.p.-household sales; John M. Ormand, v.p.-mfg.; George H. Hightower, Jr., exec. v.p.-sales; Garner M. Ellerbee, secretary; Rosser R. Raines, treasurer; Robert E.L. Greene, Jr., v.p.-engineering.

Directors: Thomas D. Adams, Jr., William H. Hightower, Jr., George H. Hightower, Jerry Williamson, George H. Hightower, Jr., H. Stewart Davis, Will B. Plowden*, Dom H. Wyant, Julian H. Roberts, Neil H. Hightower*, C. Ronald Barfield.

* Member of the Executive Committee

Business Activities: Produces apparel fabrics, including denims, twills, and other heavy weight carded fabrics; finishes fabrics for itself and other manufacturers, including shirting corduroy and industrial fabrics finishing; styles and sells sheets. Produces industrial cotton, synthetic or blend fabrics, ducks, chafers, satens and twills, industrial sewing thread, twines, knitting and weaving yarns, widesheeting, and fabricated sporting goods specialties.

Trademarks and/or Brand Names: Rattlers, American Mood, New Era, Tender Rest, Pedigree, Page, Tavern, Pilgrim, Fireside.

Plant Location(s): Thomaston, Griffin & Zebulon, Georgia.

Transfer Agent(s):

The Citizens and Southern Trust Company
Investor Services Department
P.O. Box 105555
Atlanta, Georgia 30348-5555

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TMST-A and TMST-B (NASDAQ)

Sales & Earnings

	Net Sales	Net Income †
1989	\$ 184,657,659	\$ 3,652,645
1988*	187,405,128	10,590,723
1987	171,383,567	12,541,823
1986	139,062,869	(1,046,636)
1985	132,494,655	(161,938)

	No. of Com. Shares #	Earn. per Share ‡
1989	3,137,408	\$ 1.14
1988*	3,136,372	3.32
1987	3,285,956	3.82
1986	3,285,956	—
1985	3,285,956	—

(Loss)

* 53 weeks.

† Including extraordinary gain of \$1,283,000 (\$0.39 per share) in 1987.

Adjusted to reflect stock split.

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	\$ 0.40	—	3-for-1
1988	0.32	—	—
1987	0.26	—	—
1986	0.25	—	—
1985	0.25	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	\$ 68,326,000	\$ 21.78
1988	65,928,000	21.02
1987	58,199,935	20.85
1986	46,520,676	16.63
1985	48,388,801	18.90

‡ Adjusted to reflect stock split.

Income Account *

Year ended	7/1/89 (53 weeks)	7/2/88
Net sales	\$ 184,657,659	\$ 187,405,128
Cost of sales	168,238,836	159,367,914
Expenses	11,063,260	11,074,831
Other income	(578,066)	(654,261)
Interest expense	1,580,884	763,921
Inc. bef. taxes	\$ 4,352,745	\$ 16,852,723
Income taxes	1,665,000	6,262,000
Cum. effect of acct. change	(964,900)	—
Net Income	\$ 3,652,645	\$ 10,590,723

* Included 'in Costs and Expenses, Depreciation and Amortization: \$9,452,717 in 1989 and \$8,568,141 in 1988.

Assets

As of	7/1/89	7/2/88
Cash	\$ 1,477,460	\$ 966,077
Accts. receiv., net	31,419,462	25,387,061
*Inventories	20,724,290	20,752,154
Refundable income taxes	553,282	1,113,737
Other curr. assets	272,704	868,325
Current Assets	\$ 54,447,198	\$ 49,087,354
#Fixed assets	46,334,522	40,758,998
Other assets	494,479	221,851
Total Assets	\$ 101,276,199	\$ 90,068,203

Liabilities

Accts. payable	\$ 4,995,921	\$ 5,094,162
Salaries and wages	368,589	547,022
Payroll taxes	924,605	910,062
Income taxes	812,841	—
Local taxes	399,339	430,462
Accrued interest	576,564	30,913
Other curr. liab.	2,222,423	1,348,840
Long-term debt and cap. lease oblig., curr.	1,254,282	1,254,282
Curr. Liabilities	\$ 11,554,564	\$ 9,615,743
Long-term debt and cap. lease oblig.	18,119,957	10,796,263
Deferred inc. taxes	3,276,093	3,728,483
+ Common stock:		
Class A	2,810,259	2,810,259
Class B	936,753	936,753
Add. paid-in capital	9,644,772	9,621,575
Retained earnings	59,094,682	56,696,811
Treasury stock	(4,160,881)	(4,137,684)
Total Liabilities & Shareholders' Equity	\$ 101,276,199	\$ 90,068,203

* At lower of average cost or market. Certain inventories at LIFO cost.

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.36	8.99
%Net Income to Sales	1.98	5.65
%Net Income to Equity	5.35	16.06
Sales to Inventories	8.91	9.03
Debt to Equity	0.28	0.18
Working Capital	\$ 42,892,634	\$ 39,471,611
Current Ratio	4.71	5.10
Shareholders' Equity	\$ 68,325,585	\$ 65,927,714

Tultex Corporation

P.O. Box 5191
Martinsville, Virginia 24115
(703) 632-2961

Officers: William F. Franck, chairman emeritus; H. R. Hunnicutt, Jr., chairman & chief executive officer; J. M. Franck, president & chief operating officer; V. M. Galbo, treasurer; William C. Cole, III, vice president-personnel; D. P. Shook, v.p.-finance & administration; W. T. Moore, asst. treasurer; J. M. Boruvka, controller; J. J. Smith, v.p.-sales & marketing; B. A. Ratliff, v.p.-operations; C. F. Williams, v.p.-yarn; Marlene B. Lopez, secretary; F. S. Beam, asst. secretary.

Directors: William F. Franck, Richard J. Conroy, Irving M. Groves, Jr., Robert P. Buford, R. M. Simmons, Jr., John M. Tully, J. B. Frith, C. Watson Lawhon, H. R. Hunnicutt, Jr., J. M. Franck, V. M. Galbo.

Business Activities: Manufactures fleeced and laminated knit sportswear and casual wear, and cotton and synthetic yarns for various markets.

Trademarks and/or Brand Names: Discus, Tultex.

Plant Location(s): Rockingham, Kings Mountain, Roxboro, Marion, Mayodan, Spindale, Lowell, North Carolina; Martinsville, South Boston, Roanoke, Chilhowie (2), Bastian, Vesta, Virginia.

Divisions and Subsidiaries:

Marketing Division

Manufacturing Division

Tultex Yarns
P.O. Box 1865
Gastonia, North Carolina 28053
(704) 864-7701

Production and sale of cotton and synthetic yarns.

Tulstar Factors Inc.
560 Lexington Avenue
New York, New York 10022
(212) 688-9088
Commercial factoring service.

Transfer Agent(s):

Sovran Bank, N.A.
P.O. Box 26904
Richmond, Virginia 23261

Stock Exchange(s): New York

Ticker Symbol: TTX

Sales & Earnings

	Net Sales +	Net Income
1988*	\$ 339,129,000	\$ 21,235,000
1987	348,692,000	28,805,000
1986	326,075,000	24,140,000
1985	259,579,000	11,911,000
1984	286,269,000	9,720,000

	No. of Com. Shares #	Earn. per Share #
1988*	27,571,000	\$ 0.77
1987	27,489,000	1.05
1986	27,313,000	0.88
1985	27,019,000	0.44
1984	26,983,000	0.36

* 53 weeks.

+ Includes other income.

Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1988	\$ 0.36	—	—
1987	0.29	—	—
1986	0.19	—	2-for-1
1985	0.15	—	—
1984	0.14	—	—

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity +	Equity Per Share ‡
1988	\$ 138,732,000	\$ 5.03
1987	127,034,000	4.62
1986	105,535,000	3.85
1985	85,878,000	3.18
1984	78,030,000	2.89

+ After allowing for preferred stock at par value.

‡ Adjusted to reflect stock splits.

Income Account
(000's)

Year ended	12/2/88 (53 weeks)	11/27/87
Net sales & other income	\$ 339,129	\$ 348,692
Cost of sales	249,983	242,469
Expenses	38,579	41,620
Depreciation	12,080	9,757
Interest expense	5,403	4,911
Income bef. taxes	\$ 33,084	\$ 49,935
Income taxes	11,849	21,130
Net Income	\$ 21,235	\$ 28,805

Assets
(000's)

As of	12/2/88	11/27/87
Cash	\$ 645	\$ 708
Accts. receiv., net	90,365	84,087
*Inventories	66,788	63,535
Prepaid expenses	560	445

Current Assets	\$ 158,358	\$ 148,775
‡ Fixed assets	96,121	75,383
Other assets	2,643	2,282

Total Assets	\$ 257,122	\$ 226,440
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Liabilities
(000's)

Notes payable	\$ 35,000	\$ 6,600
Long-term debt, curr.	2,263	4,126
Accts. payable	14,048	15,427
Accrued payroll	11,169	15,960
Accrued pension liab.	798	1,631
Other accruals	2,706	2,473
Dividends payable	2,488	2,485
Income taxes	7,754	6,623

Current Liabilities	\$ 76,226	\$ 55,325
Long-term debt	27,361	29,672
Deferred inc. taxes	9,339	8,344
Other deferrals	2,104	1,606

‡ Ac. value of assets acq. over cost	2,947	3,812
+ Preferred stock	413	647
+ + Common stock	27,589	27,516
Add. paid-in capital	330	58
Retained earnings	111,778	100,495
Notes receiv. stockholders	(965)	(1,035)

Total Liabilities & Shareholders' Equity	\$ 257,122	\$ 226,440
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* At lower of cost (LIFO) or market.

‡ Less accumulated depreciation.

+ \$100 par value; 5% cumulative.

+ + \$1 par value.

Statistical Summary

% Income bef. Taxes to Sales	9.76	14.32
% Net Income to Sales	6.26	8.26
% Net Income to Equity	15.26	22.56
Debt to Equity	0.46	0.32
Working Capital	\$ 82,132,000	\$ 94,542,000
Current Ratio	2.08	2.70
Shareholders' Equity	\$ 139,145,000	\$ 127,681,000

UCO S.A.

Bellevue 1

B-9218 Ghent
Ledeberg, Belgium
(091) 39 12 11

Directors: Henri Vander Eycken, chairman; Jean-Pierre Leirens-Hanet, Jacques Verstraeten-Hanet, Michel Braun, general manager; Jacques Braun, Robert Callebaut, Prosper Colyn, Jean-Pierre Delen, Jacques de Smet, Paul de Smet de Naeyer, Fernand Hanet, chairman-management committee; Paul Hanet, managing director; Philippe Hebbelynck, general manager; Bernard Hebbelynck, Marc Petit, Jan Steyaert, Marc Swolfs, Etienne van den Boogaerde, managing director; Michel Voortman, Frans Vreys, Jacques Hanet, general manager; Philippe Donnay, Lucien Vlerick.

Business Activities: Manufactures fabrics for the clothing industry, including denim, corduroy, flats and a range of fancy fabrics with emphasis on prints. Also manufactures yarns for weaving and knitting, bedlinen, and industrial fabrics, including carpet backing, geotextiles and agrotex-tiles.

Trademarks and/or Brand Names: Prelude, Image, Uco, Pierre Balmain.

Divisions:

Yarn Division
Production and sale of yarns.

Apparel Fabrics Division
Production and sale of indigo denim, corduroy and flats; as well as sold and printed fabrics for various end-uses such as babywear, lingerie, shirts and blouses.

Industrial Fabrics Division
Production and distribution of polypropylene carpet backing, geotextiles, non wovens, as well as various fabrics in cotton and other fibers intended for industrial or institutional customers.

Household Linen Division
Production and sale of bedlinen, quilts, and fabrics by the yard.

Textile Subsidiary:

N.V. Verenigde Weverijen Leon Declercq
Produces woven fabrics from filament yarns and fabrics with a filament warp and a spin weft. These fabrics are used in linings, anoraks, sport and leisure wear, carryalls for sportsmen and women, suitcases, and bedcovers.

Stock Exchange(s): Brussels

Sales & Earnings

	Net Sales (000's)	Net Income † (000's)
1988	Bf 8,099,622	Bf (22,647)
1987	9,863,783	139,651
1986	11,437,424	343,446
1985	11,844,285	232,343

No. of Com.
SharesEarnings
per Share †

1988	161,976	Bf —
1987	161,976	862.17
1986	161,976	2,120.35
1985	161,976	1,434.43

Bf - Belgian franc

† Including extraordinary gains of Bf 4,516,575 in 1988, Bf 11,793,384 (Bf 72.81 per share) in 1987, and extraordinary losses of Bf 95,142,476 (Bf 587.39 per share) in 1986 and Bf 70,580,579 (Bf 435.75 per share) in 1985.

Common Stock Equity

	Total Equity † (000's)	Equity Per Share
1988	Bf 4,326,653	—
1987	4,335,504	—
1986	4,291,263	—
1985	4,336,309	—

† After allowing for preferred stock at stated value.

Income Account
(000's)

Year ended Dec. 31	1988	1987
Net sales	Bf 8,099,622	Bf 9,863,783
Cost of sales & expenses	4,894,446	5,509,879
Salary expense	2,809,101	3,293,100
Depreciation & amortization	623,298	696,604
Inventory write-off	(21,543)	33,876
Other oper. expense	54,232	44,740
Reorganization costs	(129,868)	—
Oper. profit (loss)	Bf (130,044)	Bf 285,584
Interest expense	326,506	358,672
Interest income	(220,998)	(215,616)
Income (loss) before taxes	Bf (235,552)	Bf 142,528
Income taxes	1,613	14,670
Net Income (Loss)	Bf (237,165)	Bf 127,858
Extraord. gain	214,518	11,793
Net Income (Loss) & extraord. gain	Bf (22,647)	Bf 139,651

Assets
(000's)

As of Dec. 31	1988	1987
Cash	Bf 42,266	Bf 73,762
Deferred charges	2,429	952
Short-term invest.	1,285,394	1,377,864
Accts. receiv., net	2,457,631	2,763,355
* Inventories	2,337,476	2,448,298
Current Assets	Bf 6,125,196	Bf 6,664,231
Start-up costs	246,872	79,157
‡ Fixed assets	1,805,924	1,605,088
Financial fixed assets	470,296	556,681
Total Assets	Bf 8,648,288	Bf 8,905,157

Liabilities
(000's)

Long-term debt, curr.	Bf 652,155	Bf 639,344
Financial liabilities	112,838	84,510
Accts. payable	775,131	748,279
Accrued payroll	582,811	681,403
Other current liabilities	156,939	276,138
Current Liabilities	Bf 2,279,874	Bf 2,429,674

UCO S.A.

Financial liabilities	726,536	639,644
Other debts	790,136	955,285
Accrued charges & def. inc.	423	16,534
Other liabilities	225,306	229,157
+ Preferred stock	299,360	299,360
+ Common stock	1,619,760	1,619,760
Add. paid-in capital	419,104	419,104
Reval. surplus	960	960
Reserves	2,257,972	2,102,760
Profit carried forward	8,010	185,871
Invest. grants	20,847	7,048

Total Liabilities & Shareholders' Equity	Bf 8,648,288	Bf 8,905,157
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* At lowest market prices.
Less accumulated depreciation.
+ Bf 10,000 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	1.44
% Net Income to Sales	—	1.30
% Net Income to Equity	—	2.76
Sales to Inventories	3.47	4.03
Debt to Equity	0.49	0.50
Working Capital (000's)	Bf 3,845,322	Bf 4,234,557
Current Ratio	2.69	2.74
Shareholders' Equity (000's)	Bf 4,626,013	Bf 4,634,864

Unifi, Inc.

7201 West Friendly Road
Greensboro, North Carolina 27410
(919) 294-4410

Mailing address:
P.O. Box 19109
Greensboro, North Carolina 27419

Officers: G. Allen Mebane, chairman of the board; William T. Kretzer, president & chief exec. officer; Jerry W. Eller, exec. v.p.; Robert A. Ward, exec. v.p.; G. Alfred Webster, exec. v.p.; James A. Dunn, vice president; Raymond W. Maynard, vice president; Jerry R. Moore, vice president; Richard L. Widenhouse, vice president; John F. Glenn, vice president; Stewart Q. Little, vice president; Gregg H. Lowe, vice president; C. Clifford Frazier, Jr., secretary.

Directors: G. Allen Mebane, chairman; James R. Hardin, Robert A. Ward, Kenneth G. Langone, Charles R. Carter, Roy H. Lawrence, C. Clifford Frazier, Jr., William T. Kretzer, Jerry W. Eller, G. Alfred Webster.

Business Activities: Engaged in the texturizing and sale of polyester filament yarn.

Plant Location(s): Yadkinville, NC; Shaunton, VA; Letterkenny, County Donegal, The Republic of Ireland.

Divisions and Subsidiaries:

Unifi Textured Yarns Europe, Ltd.
Letterkenny, Republic of Ireland

Unifi International Service, Inc.
Greensboro, North Carolina
London, England

Unifi FSC, Ltd.
Agana, Guam

Transfer Agent(s):

First Union National Bank
Charlotte, North Carolina

Stock Exchange(s): Over-the-Counter

Ticker Symbol: UNFI (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1988	\$ 298,345,733	\$ 24,819,113
1987	275,714,031	12,027,884
1986	248,873,241	10,407,477
1985	216,039,060	6,337,547
1984	216,520,150	7,349,970

	No. of Com. Shares ‡	Earn. per Share ‡
1988	10,591,564	\$ 2.36
1987	10,821,994	1.17
1986	10,690,983	1.07
1985	9,551,127	0.67
1984	10,522,451	0.70

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	50%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 104,425,111	\$ 11.52
1987	96,642,146	10.12
1986	88,789,680	9.00
1985	71,312,235	7.59
1984	68,075,517	6.93

‡ Adjusted to reflect stock dividend.

Income Account *

Year ended	6/26/88	6/28/87
Net sales	\$ 298,345,733	\$ 275,714,031
Cost of sales	251,537,186	238,363,023
Expenses	14,160,694	13,235,610
Interest expense (income)	(404,448)	2,537,527
Other income	(2,892,389)	(293,324)
For. curr. gain	(2,141,075)	(548,279)
Income before taxes	\$ 38,085,765	\$ 22,419,474
Income taxes	13,266,652	10,391,590
Net income	\$ 24,819,113	\$ 12,027,884

* Included in Costs and Expenses, Depreciation and Amortization: \$12,513,328 in 1988 and \$12,812,552 in 1987.

Assets

As of	6/26/88	6/28/87
Cash & cash equiv.	\$ 21,235,153	\$ 2,419,327
Investments	—	9,189,827
Receivables	39,598,498	40,345,172
Inventories	15,964,825	17,130,694
Prepaid expenses	1,614,403	871,404
Current Assets	\$ 78,412,879	\$ 69,956,424
# Fixed assets	38,024,940	36,658,360
Leased property	18,921,794	25,037,545
Defer. charges	91,864	420,458
Investments	7,228,750	—
Other assets	1,201,092	983,555
Total Assets	\$ 143,881,319	\$ 133,056,342

Liabilities

Long-term debt, curr.	\$ 2,000,000	\$ 1,459,630
Accts. payable	23,421,223	21,734,796
Accruals	6,301,079	3,303,020
Income taxes	2,799,328	3,896,222
Cur. Liabilities	\$ 34,521,630	\$ 30,393,668

Long-term debt	—	1,000,000
Deferred inc. taxes	4,934,578	5,020,528
+ Common stock	906,352	954,688
Add. paid-in capital	1,144,071	16,563,963
Retained earnings	100,393,897	75,574,784
For. curr. trans. adjust.	2,324,715	3,548,711
Reserve for invest.	(343,924)	—

Total Liabilities & Shareholders' Equity	\$ 143,881,319	\$ 133,056,342
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* At LIFO cost. Foreign inventories at FIFO.
Less accumulated depreciation and amortization.
+ \$0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	12.77	8.13
% Net Income to Sales	8.32	4.36
% Net Income to Equity	23.77	12.45
Sales to Inventories	18.69	16.09
Debt to Equity	0.02	0.03
Working Capital	\$ 43,891,249	\$ 39,562,756
Current Ratio	2.27	2.30
Shareholders' Equity	\$ 104,425,111	\$ 96,642,146

United Merchants and Manufacturers, Inc.

1407 Broadway
New York, New York 10018
(212) 930-3900

Corporate Office:
1209 Orange Street
Wilmington, Delaware 19801

Officers: Martin J. Schwab, chairman of the board; Uzi Ruskin, president, chief executive & chief operating officer; Lawrence Marx, Jr., secretary; Sidney O. Margolis, exec. v.p. & asst. secretary; Robert D. Mathews, exec. v.p.; Norman R. Forson, sr. v.p., corp. controller & chief accounting officer; William Iannone, sr. v.p.; Hollowell C. Nixon, exec. v.p.; Judith A. Nadzick, exec. v.p. & chief financial officer; James P. Spallina, v.p.; Arthur C. Charwat, v.p.; William H. Carroll, v.p.; Bernard G. Mayers, v.p.; Robert M. Smith, v.p.; Harold R. Hoke, v.p.; Dale C. Jones, v.p.; H.W. Simmons, v.p.; Michael S. Harris, v.p., general counsel & asst. secretary; Joseph N. Fedoryk, v.p.; Michael Vidra, v.p.; John N. Tice, Jr., treasurer; Jeffrey J. Helfer, asst. treasurer.

Directors: Uzi Ruskin*, Peter A. Cohen*, William M. Rees*, Martin J. Schwab*, Richard Bassuk, Sidney O. Margolis, Robert D. Mathews, Jack H. Nusbaum*, S. Arnold Hickox, Tomas Furth, Judith A. Nadzick, Hollowell C. Nixon.

* Member of the Executive Committee

Business Activities: The Company's operations fall into four segments: Apparel, Apparel Textiles, Home Furnishings, and Accessories.

Areas of Work: The Apparel segment designs and distributes apparel, principally for women, including complete lines of activewear, dresses, sportswear, swimwear, underwear and other apparel products, most of which are in the medium-price range. The segment markets its products under 23 different labels including Bill Blass (under license), Misty Harbor, R&K Originals, Rose Marie Reid, and Vilager.

The Apparel Textile segment, through the Ameritex Print Division, sells printing and finishing services to other textile manufacturers and converters, and designs, prints, dyes, finishes and markets fabrics for the home sewing market. The segment's Ameritex Fashion Fabrics division converts and sells piece-dyed apparel fabrics. The segment's Buffalo Mill weaves spin-yarn novelty greige goods for sale to the converting trade. This segment also manufactures and distributes woven fabrics for sale to the apparel market in England.

The Company's Home Furnishings segment is comprised of three units: Seneca Textiles, Cohama/Riverdale, and Decora. Seneca designs, manufactures and markets fabrics for use in bedspreads, comforters, curtains, draperies and shower curtains. Through its Chace/Roomaker unit, Seneca manufactures, from fabric it weaves and finishes, cur-

tains and shower curtains, principally for Sears, Roebuck and Co. Cohama designs and distributes high quality, higher-priced fabrics for bedspreads, comforters, curtains, draperies and furniture upholstery. Decora's primary product is Con-Tact, a fashion styled pressure-sensitive vinyl product which is used for shelf linings, other coverings, and do-it-yourself decorations.

The Company's Accessories segment designs, manufactures and markets costume jewelry.

Trademarks and/or Brand Names: Bill Blass, Misty Harbor, R&K Originals, Rose Marie Reid, Villager, Chace, Roomaker, Etienne Aigner, Con-Tact.

Divisions and Subsidiaries:

Ameritex
New York

Seneca Textile
New York, New York

Cohama/Riverdale Decorative Fabrics
New York, New York

Decora
Buffalo
Chace Curtin
Roomaker Curtains
Rose Marie Reid
Victoria Creations, Inc. (82.97%-owned)

Cohama Specifier Contract Fabrics
New York

Arrowvale Limited (England)
Butte Knit of London Limited
Tate Fabrics (England)

Transfer Agent(s):

Registrar & Transfer Co.
Cranford, New Jersey

Stock Exchange(s): New York, Pacific

Ticker Symbol: UMM

Sales & Earnings x

	Net Sales +	Net Income
1988	\$ 646,313,000	\$ 5,258,000
1987	647,580,000	(15,251,000)
1986	700,973,000	(35,340,000)
1985	687,724,000	(20,366,000)
1984	463,623,000	12,350,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	9,106,000	\$ 0.58
1987	9,147,000	—
1986	9,104,000	—
1985	8,930,000	—
1984	8,740,000	1.91

(Loss)

x On June 30, 1988, the Company entered into contracts for the sale of its Etienne Aigner and Valchem Divisions. These transactions were consummated subsequent to June 30, 1988. The 1988 Pro Forma financial statements adjust the 1988 historical financial statements to reflect these sales as if they have been completed on June 30, 1988. All figures for 1988 are Pro Forma.

+ Of continuing operation only.

‡ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 104,245,000	\$ 11.45
1987	100,412,000	10.98
1986	115,290,000	12.66
1985	148,157,000	16.59
1984	167,462,000	19.16

‡ Based on the average number of shares outstanding.

Income Account * (000's)

Year ended June 30	1988	1987
Net sales	\$ 646,313	\$ 647,580
Cost of sales	504,664	488,878
Expenses	159,725	145,299
Interest expense	41,608	40,422
Interest income	(1,661)	(2,388)
Loss from relocation	4,200	6,015
Gain on sale of div.	(41,771)	(11,012)
Other income	(1,423)	(3,515)
Loss before taxes	\$ (19,029)	\$ (16,119)
Income taxes	2,380	4,142
Minority interest	(110)	365
Loss - cont. oper.	\$ (21,299)	\$ (20,626)
Inc. - discont. oper.	26,557	5,375
Net Income (Loss)	\$ 5,258	\$ (15,251)

* Included in Costs and Expenses, Depreciation and Amortization: \$13,527,000 in 1988 and \$13,732,000 in 1987.

Assets (000's)

As of June 30	1988	1987
Cash & cash equiv.	\$ 1,286	\$ 2,116
Receivables, net	80,619	109,914
*Inventories	140,302	164,225
Prepaid expenses & other assets	9,066	8,809
Assets held for sale	6,324	—
Net assets - disc. oper.	—	34,740
Receiv. from sale of oper.	10,948	—
Current Assets	\$ 248,545	\$ 319,804
#Fixed assets	55,523	80,145
Invest. in joint ventures	—	3,217
Other assets & deferred charges	48,923	41,707
Goodwill	59,062	87,723
Total Assets	\$ 412,053	\$ 532,596

Liabilities (000's)

	1988	1987
Notes & advances payable	\$ 8,189	\$ 12,841
Long-term debt, curr.	3,501	4,272
Accts. payable	28,449	46,430
Accruals	25,432	20,843
Income taxes	3,735	2,198
Curr. Liabilities	\$ 69,306	\$ 86,584
Long-term debt	228,056	331,737
Other liabilities	2,864	4,887
Minority interest	7,582	8,976
+Common stock	9,101	9,098
Add. paid-in capital	49,374	49,357
Retained earnings	51,148	45,890
For. curr. trans. adjust.	(1,378)	67
Notes receivable - stock purch. agree.	(4,000)	(4,000)
Total Liabilities & Shareholders' Equity	\$ 412,053	\$ 532,596

* At lower of cost (principally average or FIFO) or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

	1988	1987
%Net Income to Equity	5.04	—
Sales to Inventories	4.61	3.94
Debt to Equity	2.30	3.47
Working Capital	\$ 179,239,000	\$ 233,220,000
Current Ratio	3.59	3.69
Shareholders' Equity	\$ 104,245,000	\$ 102,412,000

Unitex Limited

59-63 Wang Wo Tsai Street
Tsuen Wan, New Territories, Hong Kong

Directors: Cheng Fur She, chairman & managing director; Lee Chen Che, Liu Han Tang, Liu Han Liang, Richard Lee, Philip Y. S. Cheng, David Y. D. Cheng, T. Y. Tam, secretary.

Business Activities: The principal activity of the Company is the manufacture of knitted fabrics and garments.

Subsidiaries:

Unitex Singapore Private Limited
Singapore
Textile manufacturers.

Mappin Singapore Private Limited
Singapore
Garment manufacturers.

Unitex (Sales) Limited
England
Garment wholesaler.

Mappin Limited
Hong Kong
Garment retailer and subcontractor.

Registrar:

Central Registration Hong Kong Limited
Hopewell Centre, 19th Floor
Queen's Road, East
Hong Kong

Stock Exchange(s): Hong Kong

Sales & Earnings x

	Net Sales	Net Income †
1987	\$ 389,669,443	\$ 23,950,641
1986	279,090,057	(18,196,633)

	No. of Com. Shares	Earn. per Share †
1987	10,000,000	\$ 2.40
1986	10,000,000	—

(Loss)

x Figures are stated in Hong Kong dollars.

† Excluding extraordinary items.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	\$ 1.00	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	\$ 95,847,745	\$ 9.58
1986	81,803,793	8.18

Income Account

Year ended June 30	1987	1986
Net sales	\$ 389,669,443	\$ 279,090,057
Cost of sales & expenses	339,896,514	275,784,731
Rental income	(492,066)	(1,439,859)
Interest income	(440,163)	(1,248,747)
Deferred income	(1,626,407)	(1,626,407)
Interest expense	10,519,198	10,397,008
Auditor's remuneration	740,763	764,341
Depreciation	11,055,151	12,195,374
Other interest expense	101,302	515,928
Amortization	1,433,310	1,944,321
Prov. for loans	1,220,000	—
Income (loss) before taxes	\$ 27,261,841	\$ (18,196,633)

Unitex Limited

Income taxes	3,311,200	—
Net Income (Loss)	\$ 23,950,641	\$ (18,196,633)
Extraord. loss	—	(50,924,488)

Net Income (Loss) & extraord. loss	\$ 23,950,641	\$ (69,121,121)
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Assets

As of June 30	1987	1986
Cash	\$ 23,035,445	\$ 17,631,346
Accts. receiv., net	49,252,943	50,086,870
Other receivables	10,950,189	40,394,608
*Stocks	107,433,786	70,720,121
Loans curr.	972,565	463,556
Current Assets	\$ 196,644,928	\$ 179,296,501
#Fixed assets	124,567,951	124,811,321
Defer. charges	807,343	1,749,003
Intangibles	1,528,316	1,897,516
Loans	5,850,491	8,056,693
Total Assets	\$ 329,399,029	\$ 315,811,034

Liabilities

Notes payable	\$ 334,753	\$ —
Bank loans	114,253,318	109,351,237
Other loans	111,892	28,327,127
Accts. payable & accruals	83,542,830	77,881,750
Income taxes	4,800,000	1,488,800
Proposed dividend	10,000,000	—
Curr. Liabilities	\$ 213,042,793	\$ 217,048,914
Deferred income	13,011,256	14,637,663
Other liabilities	7,497,235	2,320,664
+ Common stock	20,000,000	20,000,000
Reserves	75,847,745	61,803,793
Total Liabilities & Shareholders' Equity	\$ 329,399,029	\$ 315,811,034

* At lower of cost and net realizable value.
 # Less accumulated depreciation.
 + HK\$2 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.00	—
%Net Income to Sales	6.15	—
%Net Income to Equity	24.99	—
Sales to Inventories	3.63	3.95
Debt to Equity	1.20	1.68
Shareholders' Equity	\$ 95,847,745	\$ 81,803,793

VF Corporation

1047 North Park Road
 Wyomissing, Pennsylvania 19610
 (215) 378-1151

Officers: Lawrence R. Pugh, chairman of the board & chief executive officer; Robert E. Gregory, Jr., president & principal operating officer; Harold E. Addis, v.p.-human resources & administration; Wayne L. Bildahl, v.p.-planning; Harold D. McKemy, v.p.-treasury & financial services; Janet J. Peters, v.p.-private label; Robert S. Stec, v.p.-marketing; Lori M. Tarnowski, v.p. & secretary; Gerard G. Johnson, v.p.-finance & chief financial officer; Louis J. Fecile, asst. v.p.-employee benefits; Frank C. Pickard, III, treasurer; Prakash C. Bhatt, v.p.-operations/manufacturing; Kenneth E. Beyers, controller; Gary E. Dunham, asst. controller; Robert K. Shearer, asst. controller; David L. Reklau, asst. controller.

Directors: Lawrence R. Pugh*, chairman; William E. Pike*, Robert E. Gregory, Jr.*, Roger S. Hillas, Leon C. Holt, Jr., J. Berkley Ingram, Jr., Robert F. Longbine*, Robert D. Buzzell, William H. Blount, M. Rust Sharp*, L. Dudley Walker, Barbara S. Feigin.

* Member of the Executive Committee

Business Activities: Designs, manufacturers and markets women's intimate apparel and knitted fleeced activewear, sportswear, jeanswear and casual apparel for men, women and children, and occupational apparel.

Trademarks and/or Brand Name: Lee, Lee Riders, Ms. Lee, Ultracord, Bassett-Walker, Lollipop, Girbaud, Rustler, Jantzen, Wrangler, JanSport, Red Kap, Big Ben by Wrangler, Cotton Works, Vanity Fair, Bright Lines, Shevelva, Wrangler American Hero, My Favorite Fantasy, Cross Grain, RP Sportswear.

Divisions and Subsidiaries:

Girbaud
 140 Blue Bell Road
 Greensboro, North Carolina 27406
 Manufacturers fashion jeans.

JanSport
 2425 West Packard Street
 Appleton, Wisconsin 54913
 Manufacturers sportswear.

Wrangler
 335 Church Street
 Greensboro, North Carolina 27401
 Manufacturers jeanswear.

Jantzen
 411 N.E. 19th Street
 Portland, Oregon 97232
 Manufacturers swimwear, sportswear and sweaters.

Red Kap
 749 Massman Drive
 Nashville, Tennessee 37210
 Manufacturers occupational uniforms and apparel.

Vanity Fair Mills, Inc.
 640 Fifth Avenue
 New York, New York 10019
 Loungewear, sleepwear, lingerie and undergarments.

Lee Apparel Company, Inc.
 9001 West 67th Street
 Merriam, Kansas 66202
 Jeanswear and casual apparel for men, women, and children. Labels include Lee, Lee Riders and Ms. Lee.

VF International Division, Inc.
 1047 North Park Road
 Wyomissing, Pennsylvania 19610
 Markets Lee and Vanity Fair products overseas.

Bassett-Walker, Inc.
 P.O. Box 5423-Walker Road
 Martinsville, Virginia 24115
 Knitted, fleeced activewear such as sweatshirts, sweatpants, jogging suits and jackets for men, women and children.

Modern Globe, Inc.
 902-914 Elkin Highway
 North Wilkesboro, North Carolina 28659
 Women's cotton panties and cotton knit sleepwear; men's cotton tee shirts and undershorts

Transfer Agent(s):

Morgan Shareholder Services Trust Company
 P.O. Box 3981
 Church Street Station
 New York, New York 10008-3981

Stock Exchange(s): New York, Pacific

Ticker Symbol: VFC

Sales & Earnings

	Net Sales	Net Earnings
1988	\$ 2,516,107,000	\$ 173,590,000
1987	2,573,762,000	179,694,000
1986	1,544,574,000	136,458,000
1985	1,481,182,000	139,417,000
1984	1,167,356,000	124,746,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	68,165,000	\$ 2.55
1987	67,793,000	2.65
1986	63,068,000	2.16
1985	61,963,000	2.23
1984	63,706,000	1.96

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business (000's)

	1988	1987
Jeanswear	\$ 1,469,158	\$ 1,550,314
Sportswear/activewear	465,833	492,624
Intimate apparel	285,918	269,469
Occupational apparel	295,198	261,355
Total	\$ 2,516,107	\$ 2,573,762

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	\$ 0.85	—	—
1987	0.75	—	—
1986	0.66	—	2-for-1
1985	0.58	—	—
1984	0.52	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 1,095,353	\$ 16.07
1987	980,591,000	14.46
1986	831,249,000	13.18
1985	554,223,000	8.94
1984	441,370,000	6.93

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account* (000's)

Year ended	12/31/88	1/2/88
Net sales	\$ 2,516,107	\$ 2,573,762
Cost of sales	1,739,677	1,758,773
Expenses	455,429	456,383
Restruct. costs	16,400	—
Interest income	(8,659)	(9,955)
Interest expense	46,891	60,586
Other income	(8,561)	(5,770)
Income before taxes	\$ 274,930	\$ 313,745
Income taxes	101,270	134,051
Net Income	\$ 173,660	\$ 179,694

* Included in Costs and Expenses, Depreciation: \$70,348,000 in 1988 and \$70,573,000 in 1987.
 ‡ Restated.

Assets (000's)

As of	12/31/88	1/2/88
Cash & investments	\$ 86,714	\$ 112,120
Accts. receiv., net	266,399	285,370
*Inventories	422,801	493,024
Other curr. assets	10,552	21,524
Current Assets	\$ 786,466	\$ 912,038
#Fixed assets	482,248	507,106
Intangibles	449,926	468,512
Other assets	41,222	38,000
Total Assets	\$ 1,759,862	\$ 1,925,656

Liabilities (000's)		
Notes payable	\$ 4,410	\$ 109,853
Long-term debt, curr.	18,444	111,918
Accts. payable	63,943	90,445
Accrued payroll	30,115	30,824
Income taxes	31,263	14,534
Deferred inc. taxes	1,818	38,774
Other curr. liabilities	81,031	67,645
Curr. Liabilities	\$ 231,024	\$ 463,993
Long-term debt	302,348	322,888
Other liabilities	131,107	158,184
+Common stock	68,255	67,940
Add. paid-in capital	217,699	212,869
Retained earnings	809,429	699,782
Total Liabilities & Shareholders' Equity	\$ 1,759,862	\$ 1,925,656

* At lower of cost (LIFO & FIFO) or market.

Less accumulated depreciation.

+ No par value.

Statistical Summary		
%Income bef. Taxes		
to Sales	10.93	12.19
%Net Income to Sales	6.90	6.98
%Net Income to Equity	15.85	18.33
Sales to Inventories	5.95	5.22
Debt to Equity	0.30	0.56
Working Capital	\$ 555,442,000	\$ 468,045,000
Current Ratio	3.40	1.97
Shareholders' Equity	\$ 1,095,383,000	\$ 980,591,000

The Warnaco Group, Inc.

(Became a privately held corporation in May 1986.)

11111 Santa Monica Boulevard
Los Angeles, California 90025
(213) 473-0032

Warnaco, Inc.
90 Park Avenue
New York, New York 10016
(212) 661-1300

325 Lafayette Street
Bridgeport, Connecticut 06601
(203) 579-8272

Officers: Andrew G. Galef, chairman; Linda J. Wachner, president & chief executive officer; Roger A. Williams, sr. v.p. & chief financial officer; Paul E. Dixon, sr. v.p. & general counsel; William S. Finkelstein, v.p. & controller; Stanley P. Silverstein, secretary & general counsel; Allen Finkensaur, v.p.-taxes & asst. treasurer.

Directors: Andrew G. Galef, chairman; Linda J. Wachner, Bruce I. Raben, Robert D. Walter, Robert J. Dolan, Florence R. Skelly.

Business Activities: The Company is a diversified manufacturer and marketer of apparel. Men's wear includes "Puritan" and "Thane" knit shirts and sweaters; "Hathaway" dress and sport shirts; "Christian Dior" and "Dior le Connaisseur" dress shirts, sweaters, sportswear and accessories; and "Chaps by Ralph Lauren" dress and sport shirts, sweaters and ties. The Company manufactures and markets intimate apparel for women, including bras, panties, shapewear, sleepwear and daywear under the "Warner's," "Valentino Intimo," "Olga," "Olga's Christina," and "Ungaro" brand names. The Patrick Kelly Division sells women's premium designer and ready-to-wear clothing under the "Patrick Kelly" designer label. Activewear for men and women includes "Speedo" swimwear and accessories; "White Stag" skiwear and sportswear; "Jack Nicklaus" knit shirts and sweaters; "Carrera" skiwear; "Christian Dior" swimwear and beachwear; and "Croydon" rainwear and outerwear. The Outlet Store Division operates 41 retail stores which sell excess and out-of-season products to the general public.

Trademarks and/or Brand Names: Hathaway, Dior le Connaisseur*, White Stag, Carrera*, Patrick Kelly*, Puritan, Speedo*, Christian Dior*, Chaps by Ralph Lauren*, Thane, Warner's, Valentino Intimo*, Olga, Olga's Christina, Ungaro*, Jack Nicklaus*, Croydon.
*Under licensing agreement.

Plant Locations: Long Island City, NY; Altoona, PA; Waterville, ME; Sylvania & Thomasville, GA; Barbourville, KY; Fillmore, Van Nuys, Oxnard & Santa Paula, CA; Checotah, OK; Murfreesboro, TN; Aguas Buenas, Ciales & Cidra, Puerto Rico; Dothan, AL; Alajuela & Grecia, Costa Rica; La Romana, Dominican Republic; Puerto Cortes, Honduras; Juarez, Mexicali, Toluca & San Luis, Mexico; Ottawa & Prescott, Ontario, Canada; Edmonton, Alberta, Canada; Carleton, Canada; Scunthorpe & Peterborough, England; Keady & Dromore, Northern Ireland.

Divisions:

Menswear Division
Womenswear Division
Intimate Apparel Division
International Division
Outlet Store Division

Subsidiaries:

Warnaco Inc.
Warnaco International Inc.
Warnaco Limited
Warnaco Men's Sportswear Inc.
Warnaco of Canada Limited
Warnaco Sourcing Inc.
Warnaco Sourcing Limited
Warnaco Limited
Warner's Aiglon, S.A. (France)
Warner's Company (Belgium) S.A.
Warner's de Costa Rica Inc.
Warner's de Honduras, S.A.
Warner's de Mexico, S.A. de C.V.
Warner's (U.K.) Ltd.
C.F. Hathaway Company
Foxfire International Co. Inc.
Hamlet Shirt Co. Ltd.
Juarmer, S.A. de C.V.
Olguita de Mexico, S.A.
Tilbes Servisport Inc.
184 Benton Street Inc.

NOTE: The Warnaco Group, Inc. was incorporated in Delaware on Mar. 14, 1986 and on May 10, 1986 acquired substantially all of the outstanding shares of Warnaco Inc. Warnaco is the principal operating subsidiary of the Warnaco Group.

Sales & Earnings

	Revenues \$	Net Income x
12/31/88	\$ 648,919,000	\$ (5,104,000)
1/2/88	584,029,000	(10,803,000)
1/3/87*	369,611,000	(39,046,000)
5/10/86+†	187,628,000	(4,336,000)
12/29/85‡	555,103,000	22,523,000
	No. of Com. Shares †	Earn. per Share x†
12/31/88	2,041,267	\$ —
1/2/88	2,000,000	—
1/3/87*	2,000,000	—
5/10/86+†	N.A.	—
12/29/85‡	N.A.	—

(Loss)

N.A. - Not Available.

* 8 months.

+ 5 months.

‡ Predecessor company.

Of continuing operations only.

x Including extraordinary loss of \$2,866,000 in 1988.

† Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
12/31/88	\$ (43,155,000)	\$ —
1/2/88	(34,811,000)	—
1/3/87	(21,449,000)	—

(Deficiency)

Income Account *

Year ended	12/31/88	1/2/88
Net revenues	\$ 648,919,000	\$ 584,029,000
Cost of revenues	423,806,000	363,243,000
Expenses	152,980,000	157,262,000
Interest expense	72,455,000	64,518,000
Non-recurring credits	(1,876,000)	—
Inc. (loss) bef. taxes	\$ 1,554,000	\$ (994,000)
Income taxes	150,000	5,244,000
Inc. (loss)-cont. oper.	\$ 1,404,000	\$ (6,238,000)
Loss-discont. oper.	(12,829,000)	(4,565,000)
Net Loss	\$ (11,425,000)	\$ (10,803,000)
Extraord. loss	(2,866,000)	—
Cum. effect of acct. change	9,187,000	—
Net Loss & extraord. loss	\$ (5,104,000)	\$ (10,803,000)

* Included in Costs and Expenses, Depreciation and Amortization: \$23,058,000 in 1988 and \$22,366,000 in 1987.

Assets

	12/31/88	1/2/88
As of		
Cash	\$ 12,505,000	\$ 5,726,000
Accts. receiv., net	138,510,000	127,917,000
*Inventories	134,124,000	109,816,000
Prepaid expenses	12,361,000	9,868,000
Current Assets	\$ 297,500,000	\$ 253,327,000
#Fixed assets	93,832,000	98,867,000
Deferred fin. costs	31,120,000	33,330,000
Licenses & trademarks	69,090,000	78,180,000
Exc. of cost over assets acq.	161,438,000	165,597,000
Total Assets	\$ 652,980,000	\$ 629,301,000

Liabilities (000's)

Notes payable	\$ 2,165,000	\$ 3,398,000
Long-term debt, curr.	1,020,000	25,268,000
Accts. payable & accruals	59,177,000	39,003,000
Accrued compensation	16,028,000	21,391,000
Accrued interest	7,200,000	5,203,000
Other accruals	6,881,000	14,559,000
Income taxes	6,978,000	17,446,000
Curr. Liabilities	\$ 99,449,000	\$ 126,308,000
Long-term debt	550,038,000	490,023,000
Other liabilities	5,148,000	6,281,000
Redeem. preferred stock	41,500,000	41,500,000
+Common stock:		
Class B	15,000	15,000
Class A	6,000	5,000
Add. paid-in capital	20,598,000	19,980,000
Cum. trans. adjust.	5,830,000	3,288,000
Retained earnings (def.)	(68,703,000)	(58,099,000)
Notes receiv.-stock issue	(901,000)	—
Total Liabilities & Shareholders' Equity	\$ 652,980,000	\$ 629,301,000

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$0.01 par value.

Statistical Summary

Working Capital	\$ 198,051,000	\$ 127,019,000
Current Ratio	2.99	2.01
Shareholders' Equity (Deficiency)	\$ (43,155,000)	\$ (34,811,000)

West Point-Pepperell, Inc.

West Point-Pepperell, Inc.

400 West Tenth Street
P.O. 71
West Point, Georgia 31833
(404) 645-4000

Officers: Joseph L. Lanier, Jr., chairman of the board; Donald J. Keller, president; Charles H. Crowder, Jr., v.p.-mfg.; Robert L. Allen, v.p.-cotton purchasing; Conrad M. Fowler, v.p.-public affairs; D. Michael Roark, v.p.-human resources; Clayton H. Sauer, v.p.-finance; Charles M. Reeves, Jr., asst. treas.-credit; C. Powers Dorsett, Jr., v.p., secretary & general counsel; Barry F. Shea, treasurer; Harry L. Goodrich, asst. secretary & assoc. legal counsel; Scott D. Batson, asst. treasurer-finance; James L. Floyd, asst. controller.

Directors: Joseph L. Lanier, Jr., chairman; Harry M. Philpott, Yetta G. Samford, Jr., Charles E. Woodruff, Clarence J. Kjolien, W. Cecil Bauer, Gerald B. Mitchell, C. McKenzie Taylor, Henry H. Henley, Jr., Donald J. Keller.

Business Activities: Produces fabrics for industrial, apparel and household uses, using both natural and man-made fibers; manufactures towels, sheets, blankets, bedspreads, comforters, carpets and rugs; manufactures and markets a variety of apparel and related items. Also operates 58 retail stores as outlets for its products.

Textile Trademarks and/or Brand Names: West Point Pepperell, Martex, Lady Pepperell, Pepperell, Super Blend Denim, Fairfax, Alamac, Mission Valley, Van Raitte, Velux, Arrow, Gold Toe, Burberrys*, Colours by Alexander Julian*, Saturdays, Luxor, Pima Collection, Teatra, Gulistan, Utica, Cotton-Cale, Pipeline, Soft'n Vivid, Majesta, Tastemaker, Forstmann, Pinehurst, Devonshire from Country Inn, Luminaries, Embraceable, Consensus, Ultra Touch, Alure II, Laura Ashley, Ralph Lauren*, Eileen West*, Collier-Campbell*, Bob Burger, Alliance, Liberty of London*, Esprit*, Givenchy*.

*Under licensing agreements.

Divisions:

Plants are located in Shawmut, Ala., New Braunfels, Tex.; Lindale, Ga.; Ahoskie, Clinton, Elizabethtown, Hamilton, Lumberton, North Carolina; Anderson, South Carolina; Mission Vieja, San Jose, Costa Rica.

Apparel Fabrics Division

1221 Avenue of the Americas
New York, New York 10020
(212) 382-5000

Plants are located in Shawmut, Ala.; New Braunfels, Tex.; Lindale, Ga.; Ahoskie, Clinton, Elizabethtown, Hamilton, Lumberton, North Carolina; Anderson, South Carolina; Mission Vieja, San Jose, Costa Rica.

Consumer Products Division

1221 Avenue of the Americas
New York, New York 10020
(212) 382-5000

Engaged in the manufacture of sheeting and corduroy and yarn dyed shirtings. Plants are located in Abbeville, Huguley, Fairfax, Lanett, Opelika, and River View, Ala.; LaGrange, Ga.; Biddford, Me.; Keysville, Va.; Chipley, Fla.; New Braunfels, Texas.

Industrial Fabrics Division

400 W. 10th Street
West Point, Georgia 31833
(404) 645-4000

Plants are located in Langdale, Lanett, Fairfax and Shawmut, Ala.; LaGrange and Columbus, Ga.; DeWitt, Iowa; Pulaski, and Dublin, Va.

International Division

1221 Avenue of the Americas
New York, New York 10020
(212) 382-5000

Subsidiaries:

Cluett, Peabody & Co., Inc.
510 Fifth Avenue
New York, New York
(212) 930-3000

Markets a variety of apparel and related items, operating in three basic areas: brand-name merchandise, private label and chain store merchandise and international and licensing.

Westpoint Pepperell Stores, Inc.

400 West 10th Street
West Point, Georgia 31833
(404) 645-4000

Operates 58 retail outlets stores in the U.S., Canada, Mexico and Venezuela.

Arthur Sanderson Companies United Kingdom

Product line includes wall coverings, upholstery, drapery materials, and carpeting.

Acquisition:

J.P. Stevens & Co., Inc.
Stevens Tower
1185 Avenue of the Americas
New York, New York 10036
(212) 930-2000

Manufactures and markets home fashions textiles, including sheets, bedroom accessories, towels, comforters, bedspreads, as well as carpet, bath rugs, kitchen terry and table linens, and curtain and drapery fabrics. Also produces greige fabrics for converters, spun yarn and some elastomeric fabrics.

Transfer Agent(s):

Trust Company-Bank
Corporate Trust Department
P.O. Box 4625
Atlanta, Georgia 30302

Stock Exchange(s): New York

Ticker Symbol: WPM

Sales & Earnings

	Net Sales +	Net Income
1988	\$ 2,151,075,000	\$ 84,360,000
1987	1,703,531,000	71,586,000
1986	1,494,166,000	54,465,000
1985*	884,944,000	28,361,000
1984	1,022,482,000	55,725,000
	No. of Com. Shares †	Earn. Per Share ‡
1988	29,399,104	\$ 2.82
1987	31,487,754	2.38
1986	29,201,914	2.04
1985*	20,636,540	1.37
1984	20,590,170	2.70

* 53 weeks.

+ Of continuing operations only.

† Adjusted to reflect stock split.

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business (000's)

	1988	1987
Apparel fabrics	\$ 332,100	\$ 286,200
Household fabrics	909,900	541,400
Industrial fabrics	140,400	122,800
Apparel	756,500	748,200
Other	12,200	4,900
Total	\$ 2,151,100	\$ 1,703,500

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	\$ 1.125	—	2-for-1
1986	1.1925	—	—
1985	1.10	—	—
1984	1.10	—	—
1983	0.98	—	—

Adjusted to reflect stock split

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	\$ 783,898,000	\$ 26.66
1987	786,294,000	24.97
1986	674,977,000	23.11
1985	461,436,000	22.36
1984	454,868,000	22.09

‡ Adjusted to reflect stock split

Income Account (000's)

Year ended	9/24/88	9/26/87
Net sales	\$ 2,151,075	\$ 1,703,531
Cost of sales	1,567,283	1,218,844
Depreciation & amort.	76,309	55,719
Expenses	330,491	272,604
Oper. income	\$ 176,992	\$ 156,364
Interest expense	61,574	38,518
Other income	(7,030)	(6,092)
Income before taxes	\$ 122,448	\$ 121,938
Income taxes	50,296	55,810
Gain from sale of affil.	(16,961)	—
Inc.-cont. oper.	\$ 89,113	\$ 68,128
Inc.-discont. oper.	1,112	3,458
Gain from sale of stock	(7,365)	—
Net income	\$ 84,360	\$ 71,586

Assets (000's)

As of	9/24/88	9/26/87
Cash	\$ 14,123	\$ 17,721
Marketable securities	7,772	25,257
Accts. receiv., net	477,389	395,415
Receiv. from sale of assets	32,937	—
Investments	902,825	341,109
Prepaid expenses	18,099	19,475
Assets held for dispos.	27,071	134,063
Current Assets	\$ 1,098,616	\$ 933,040
Investments	75,645	52,407
Fixed assets	772,476	412,293
Exc. purch. price over assets acq.	508,816	165,642
Total Assets	\$ 2,453,553	\$ 1,563,382

Liabilities (000's)

Notes payable	\$ 40,518	\$ 104,329
Long-term debt, curr.	13,938	9,318
Accts. payable	183,937	142,067
Fed. inc. taxes	41,342	—
Other accrued taxes	23,191	10,119
Accrued compensation	54,360	39,697
Other accruals	65,391	37,165
Curr. Liabilities	\$ 422,677	\$ 342,695
Long-term debt	980,681	309,098
Deferred compensation	17,955	16,200
Deferred inc. taxes	164,811	78,918
Other liabilities	69,531	30,177
+ Common stock	146,996	157,439
Add. paid-in capital	119,428	159,981
Retained earnings	517,474	468,874
Total Liabilities & Shareholders' Equity	\$ 2,453,553	\$ 1,563,382

* Principally at cost (LIFO); remainder at lower of cost (FIFO) or market.

‡ Less accumulated depreciation.

+ \$5 par value.

Statistical Summary

%Net Income to Equity	10.76	9.10
Sales to Inventories	4.28	4.99
Debt to Equity	1.33	0.54
Working Capital	\$ 673,939,000	\$ 590,345,000
Current Ratio	2.59	2.72
Shareholders' Equity	\$ 783,898,000	\$ 786,294,000

	No. of Com. Shares †	Earn. per Share ‡
1989	47,779,000	\$ —
1988	47,815,000	3.68
1987	39,770,000	1.65
1986	19,662,000	2.35
1985	2,922,000	101.48

Liabilities (000's)

Notes payable	\$ 42,607	\$ 267,811
Long-term debt, curr.	34,724	360,058
Accts. payable	297,261	273,988
Accruals	302,737	343,220
Other curr. liabilities	16,133	21,895
Curr. Liabilities	\$ 693,462	\$ 1,266,972
Long-term debt	1,636,545	1,358,295
Cap. lease oblig.	29,524	50,253
Deferred inc. taxes	105,953	112,094
+ Preferred stock	181	181
+ Common stock	4,777	4,777
Add. paid-in capital	975,578	976,768
Retained earnings	109,422	236,488
For curr. trans. adjust.	18,806	18,252
Treasury stock	(927)	—
Total Liabilities & Shareholders' Equity	\$ 3,573,321	\$ 4,024,080

Wickes Companies, Inc.

3340 Ocean Park Boulevard
P.O. Box 4056
Santa Monica, California 90405
(213) 452-0161

(Became a privately held corporation on April 13, 1989, via a leveraged buyout by WCI Holdings Corporation, a corporation jointly owned by Blackstone Capital Partners, L.P. and Wasserstein, Perella Partners, L.P.)

Officers: James R. Birtle, co-chairman of the board & chief exec. officer; Lawrence P. Friedman, v.p.-human resources; Ronald D. Strongwater, v.p.-real estate; James N. Castleberry, v.p. & comptroller; Michael Jamieson, v.p.-financial planning & analysis; Robert S. Fenton, v.p.-tax and legal & secretary.

Directors: Sanford C. Sigoloff, chairman; Rita E. Hauser, Ellsworth L. Johnson, Preston Silbaugh, Wilhelm Mallory, Sanford Kaplan, Peter Sweet, Edmund M. Kaufman.

Business Activities: Through its Collins & Aikman Corporation subsidiary, the Company manufactures upholstery, carpet, specialty textiles and yarns, wallcoverings, and warp knit fabrics. Retail operations include the Company's Builders Emporium subsidiary, which operates home improvement centers in five western states; and Orchard Supply Hardware Division, which operates 30 hardware stores in northern and central California. Other business activities include the manufacture of a wide range of electrical/electronic products, the distribution of automobile parts, and finance activities.

Textile Trademarks and/or Brand Names: Carefree, Color House, Eligere, Four Seasons, Greeff, Hunting Valley, Imperial, Katzenbach & Warren, Kinney Wallcoverings, Milbrook, Powerbond, Stamp Out Stains, United, Van Luit.

Divisions and Subsidiaries:

Collins & Aikman Corporation
210 Madison Avenue
New York, New York 10016
(212) 578-1200

Builders Emporium
2162 Michelson Drive
Irvine, California 92715
(714) 975-0808

Orchard Supply Hardware

Sales & Earnings

	Net Sales + (000's)	Net Income ‡ (000's)
1989	\$ 3,983,834	\$ (122,542)
1988	3,776,515	180,511
1987	2,457,163	83,750
1986	1,010,427	76,130
1985	204,355	296,536

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share +
1989	\$ 1,062,587	\$ 22.24
1988	1,191,216	24.91
1987	1,011,022	25.42
1986	516,902	26.29
1985	340,333	116.47

† After allowing for preferred stock at liquidation value of \$40 per share.
+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Income Account * (000's)

Year ended	1/28/89	1/30/88
Net sales	\$ 3,983,834	\$ 3,776,515
Cost of sales	2,933,720	2,693,405
Expenses	883,727	814,428
Costs assoc. with acq.	25,000	—
Severance & rel. costs	26,190	—
Settle. of litigation	4,450	—
Interest expense	199,579	203,532
Income (loss) bef. taxes	\$ (88,832)	\$ 65,150
Income taxes	19,761	26,490
Income (loss)-cont. oper.	\$ (108,593)	\$ 38,660
Income (loss)-discont. oper.	(13,949)	153,360
Net Income (Loss)	\$ (122,542)	\$ 192,020
Extraord. loss	—	(11,509)
Net Income (Loss) & extraord. loss	\$ (122,542)	\$ 180,511

* Included in Costs and Expenses, Depreciation and Amortization: \$148,674,000 in 1989 and \$129,897,000 in 1988.

Assets (000's)

As of	1/28/89	1/30/88
Cash & short-term invest.	\$ 37,411	\$ 51,292
Receiv., net	465,323	581,827
*Inventories	760,772	645,865
Assets of discont. oper.	131,417	647,130
Other curr. assets	73,555	81,697
Current Assets	\$ 1,468,478	\$ 2,007,811
Fixed assets investments & other receiv.	811,662	766,905
Purch. price in exc. of assets acq.	48,382	59,433
Other assets	1,099,728	1,064,736
Total Assets	\$ 3,573,321	\$ 4,024,080

Statistical Summary

%Net Income to Equity	—	11.12
Sales to Inventories	5.24	5.85
Debt to Equity	1.57	1.65
Working Capital	\$ 775,016,000	\$ 740,839,000
Current Ratio	2.12	1.58
Shareholders' Equity	\$ 1,107,837,000	\$ 1,236,466,000

The William Carter Company

(Went private via a leveraged buyout on June 1, 1988.)

963 Highland Avenue
Needham Heights, Massachusetts 02194
(617) 444-7500

Officers: Manson H. Carter, chairman of the board & chief exec. officer; Richard G. Holland, Jr., president & chief operating officer; James B. Haymes, sr. v.p.-finance; James F. Mulcahy, Jr., sr. v.p.-sales; Norman A. Cohen, sr. v.p.-manufacturing; William H. Carter, II, sr. v.p.-international; L. Paul Seal, v.p.-human resources; John G. Heald, v.p.-national accounts; Richard P. Kirchner, v.p.-corporate planning; Jeremy R. Serwer, v.p.-Retail Division; Jack M. LaHargous, v.p.-sales, Southern Region; Robert L. White, v.p.-sales, Midwestern Region; L. Terry Louis, v.p.-sales, Eastern Region; Donald J. Griffin, exec. v.p.-marketing; John A. MacEachern, v.p.-sales, Western Region; Thomas A. Moore, treasurer; Fred L. Morse, asst. treasurer & asst. secretary; Manuel Tarano, controller; Stephen W. Carter, clerk.

Directors: Richard G. Holland, Jr., Dana P. Carter, Manson H. Carter, Richard O. Howe, Richard W. Southgate, James B. Haymes, William H. Carter, II, Donald J. Griffin, Ellis E. Meredith.

Business Activities: Engaged in the production and sale of infants'wear and playwear, sleepwear and underwear for children, under the brand name of "Carter's." The Company knits the fabric used in the production of its garments. Operates 58 outlet stores which sell Carter products.

Trademarks and/or Brand Names: Carter's.

Plant Locations(*): Barnesville (2), Edison, Forsyth, Fort Gaines, Griffin, Milner, Thomaston & Sandersville, Ga.; Senatobia, Vicksburg, Centerville, Miss.; Raymondville, Harlingen & Lyford, Tex.

Sales & Earnings

	Net Sales	Net Income +
1987	\$ 199,128,000	\$ 5,826,000
1986	184,989,000	206,000
1985	211,453,000	3,063,000
1984	219,230,000	5,543,000
1983	210,000,000	7,585,000

The William Carter Company

	No. of Com Shares ‡	Earn per Share † +
1987	1,733,912	\$ 3.36
1986	1,727,732	0.12
1985	1,724,564	1.78
1984	1,717,637	3.23
1983	1,696,723	4.47

+ Including extraordinary gain of \$1,751,000 (\$1.02 per share) in 1984.

† Based on the weighted average number of common shares and common stock equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1987	\$ 0.80	—	—
1986	0.80	—	—
1985	0.80	—	—
1984	0.77 1/3	—	3-for-2
1983	0.67 1/3	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	\$ 77,343,000	\$ 44.56
1986	72,844,000	42.08
1985	73,900,000	42.83
1984	72,254,000	41.89
1983	67,740,000	39.73

‡ Adjusted to reflect stock split.

Income Account*

Year ended	1/2/88	1/3/87
Net sales	\$ 199,128,000	\$ 184,989,000
Cost of sales	146,588,000	133,759,000
Expenses	44,350,000	47,950,000
Interest expense	3,678,000	4,004,000
Other income	(539,000)	(999,000)
Income before taxes	\$ 5,051,000	\$ 275,000
Income taxes	2,551,000	69,000
Cum. effect of change in acctg. method	3,326,000	—
Net Income	\$ 5,826,000	\$ 206,000

* Included in Costs and Expenses, Depreciation: \$4,888,000 in 1987 and \$4,689,000 in 1986.

Assets

As of	1/2/88	1/3/87
Cash	\$ 2,347,000	\$ 493,000
Short-term invest.	4,500,000	—
Accts. receiv., net	20,244,000	18,168,000
*Inventories	69,205,000	74,068,000
Prepaid expenses	1,586,000	2,833,000
Current Assets	\$ 97,882,000	\$ 95,562,000
#Fixed assets	29,982,000	31,882,000
Construc. funds held in escrow	381,000	671,000
Cap. leases	3,493,000	3,813,000
Total Assets	\$ 131,738,000	\$ 131,928,000

Liabilities

Notes payable	\$ 2,771,000	\$ 2,836,000
Accts. payable	8,497,000	6,011,000
Accruals	5,999,000	5,545,000
Inc. taxes payable	406,000	—
Other liab.	3,230,000	2,677,000
Curr. Liabilities	\$ 20,903,000	\$ 17,069,000

Notes payable	28,065,000	35,118,000
Deferred inc. taxes	5,427,000	6,897,000
+Common stock	8,698,000	8,672,000
Add. paid-in capital	286,000	234,000
Retained earnings	68,486,000	64,047,000
Treasury stock	(127,000)	(109,000)
Total Liabilities & Shareholders' Equity	\$ 131,738,000	\$ 131,928,000

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$5 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.54	0.15
%Net Income to Sales	2.93	0.11
%Net Income to Equity	7.53	0.28
Sales to Inventories	2.88	2.30
Debt to Equity	0.40	0.51
Working Capital	\$ 76,979,000	\$ 78,493,000
Current Ratio	4.68	5.60
Shareholders' Equity	\$ 77,343,000	\$ 72,844,000

Winjak, Inc.

(formerly Jack Winter, Inc.)

8100 North Teutonia Avenue
Milwaukee, Wisconsin 53209
(414) 357-4840

Officers: Jack A. Winter, chairman of the board & chief executive officer; Jack R. Winter, president & treasurer; Ken J. Pleimann, v.p.-finance & secretary; Michael Winter, v.p. & pres.-Jack Winter Apparel, Inc.; Richard H. Miller, asst. secretary.

Directors: Jack A. Winter, Jack R. Winter, Michael Winter, Gerald F. Lahey, Robert J. Maier, Elmer L. Winter.

Business Activities: Engaged in the production and sale of women's sportswear, including skirts, shirt jackets, coordinates, blazers, pants, and cardigans.

Trademarks and/or Brand Names: Jack Winter, Clothesworks.

Plant Location(s): Milwaukee, Wis.

Subsidiary:

Jack Winter Apparel, Inc.

Transfer Agent(s):

First Wisconsin Trust Company
Milwaukee, Wisconsin

Stock Exchange(s): New York

Ticker Symbol: WJI

Sales & Earnings

	Net Sales +	Net Income †
1987	\$ 41,575,000	\$ (17,232,000)
1986	46,979,000	(748,000)
1985	40,488,000	1,571,000
1984	47,950,000	(10,375,000)
1983	41,047,000	1,441,000

	No. of Com Shares	Earn per Share † ‡
1987	3,645,608	\$ —
1986	3,645,608	—
1985	3,645,521	0.43
1984	3,645,445	—
1983	3,641,320	0.39

(Loss)

+ Of continuing operations only.

† Including extraordinary gains of \$174,000 (\$0.16 per share) in 1985, \$603,000 (\$0.17 per share) in 1984 and \$160,000 (\$0.04 per share) in 1983.

‡ Based on the average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	\$ 0.215	—	—
1986	0.31	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	\$ 701,000	\$ 0.19
1986	18,288,000	5.02
1985	19,597,000	5.38
1984	18,026,000	4.94
1983	28,887,000	7.93

Income Account *

Year ended	1/2/88	1/3/87
Net sales	\$ 41,575,000	\$ 46,979,000
Cost of sales	37,940,000	32,434,000
Expenses	18,833,000	15,124,000
Prov. for plant clos.	800,000	—
Interest expense	611,000	168,000
Loss (gain) on invest.	578,000	(54,000)
Loss before taxes	\$ (17,187,000)	\$ (693,000)
Income taxes	45,000	55,000
Net Loss	\$ (17,232,000)	\$ (748,000)

* Included in Costs and Expenses, Depreciation: \$1,037,000 in 1987 and \$913,000 in 1986.

Assets

As of	1/2/88	1/3/87
Cash & cash equiv.	\$ 538,000	\$ 575,000
Market securities	—	4,455,000
Accts. receiv., net	1,009,000	4,487,000
*Inventories	5,455,000	15,706,000
Prepaid expenses & other assets	281,000	397,000
Current Assets	\$ 7,283,000	\$ 25,620,000
#Fixed assets	4,410,000	6,191,000
Invest. in securities	—	1,669,000
Other assets	387,000	438,000
Total Assets	\$ 12,080,000	\$ 33,918,000

Liabilities

Notes payable	\$ 6,363,000	\$ 11,041,000
Accts. payable	2,619,000	3,345,000
Dividends payable	—	190,000
Reserve for store clos.	800,000	—
Accrued payroll & fringe benefits	522,000	568,000
Other accruals	342,000	245,000
Curr. Liabilities	\$ 10,646,000	\$ 15,389,000

Cap. lease oblig.	161,000	163,000
Deferred comp.	572,000	78,000
+Common stock:		
Class A	3,811,000	3,811,000
Class B	2,137,000	2,164,000
Add. paid-in capital	313,000	313,000
Retained earnings (deficit)	(2,031,000)	15,556,000
Treasury stock	(3,529,000)	(3,556,000)

Total Liabilities & Shareholders' Equity	\$ 12,080,000	\$ 33,918,000
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* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

Sales to Inventories	7.62	2.99
Debt to Equity	9.31	0.61
Working Capital	—	\$ 10,231,000
Current Ratio	—	1.66
Shareholders' Equity	\$ 701,000	\$ 18,288,000

Work Wear Corporation, Inc.

(Acquired by Paine Webber Capital on June 19, 1986)

1768 East 25th Street
Cleveland, Ohio 44114
(216) 771-4040

Officers: Donald E. Nickelson, chairman; Earle G. Poole, president & chief exec. officer; Robert J. Sislian, exec. v.p. & pres.-health care and specialized disposable products; Byron N. Cohen, v.p.-corp. administration, general counsel & secretary; P. Richard Williams, v.p., chief financial officer & treasurer; Alan Hutson, v.p. & exec. v.p.-sls. & mktg., occupational and specialized apparel sls.; Alvin J. Romanoff, pres.-Sir Shirtmakers, occupational and specialized apparel sls.; Curtis R. Houglund, v.p. & pres.-Action-Line, Inc.; Francis V. Burke, president-Struble & Moffitt Co.; Dominic M. DeMaio, v.p. & pres.-Work Wear Corporation of Canada, Ltd.

Directors: Donald E. Nickelson, chairman; Peter R. Brinkerhoff, David F. Brown, William F. Connell, Gary Patterson, Earle G. Poole, Charles J. Simons, Robert J. Sislian.

Business Activities: Engaged in the manufacture and distribution of industrial garments and service apparel, uniforms, career-oriented apparel and disposable products, and the manufacture of men's dress shirts, women's sportswear and outerwear and in the rental and laundering of industrial garments, service apparel and other items.

Textile Trademarks and/or Brand Names: Work Wear, Action-Line, Ella Skinner Uniforms, Mars White Knight, Miller Manufacturing, Sir Shirtmakers, Struble & Moffitt, White Knight Textiles, Wiz-Wipes.

Plant Locations: Piedmont, Ala.; Blakely & Vienna, Ga.; Gonzales, La.; Laurel & Richton, Ms.; Granby & Jopling, Mo.; Cleveland, Oh.; Pickens, S.C.; Alexandria & Erwin, Tn.; Denison, Garland, Nocona, Palestine, Pleasant Grove, Tx.

Divisions and Subsidiaries:

Rental Services Division - Canada

Work Wear Corporation of Canada Ltd.

La Corporation Work Wear de Quebec

Occupational and Specialized Apparel

Manufacturer of work clothes and industrial garments, service apparel, linen supply garments, and corporate identity uniforms.

Domestic:

Work Wear Corporation, Inc.
Cleveland, Ohio; New York, New York
Industrial clothing.

Miller Manufacturing Company
St. Louis, Missouri
Industrial clothing.

Brew Apparel, Inc.
Cleveland, Ohio; Maplewood, New Jersey
Products include linen supply garments, service apparel for the health care industry.

Sir Shirtmakers
New York, New York; Pickens, South Carolina
Private label uniform, dress and sports shirts.

Action-Line Inc.
Garland, Texas
Nurses uniforms and career apparel for uniform stores catering to health care professionals, fast food industry, hotel/motel markets, banks and other financial institutions.

United Uniform Mfg. Co. of Memphis, Inc.
Memphis, Tennessee

Piedmont Executive Shirt Mfg. Co.
Piedmont, Alabama

Canadian:

Anchor Textiles
Toronto, Ontario; Montreal, Quebec
Washable service apparel production.

Sainthill Levine Uniforms Canada Limited
Uniforms, industrial and career apparel, fine clothing and shirts.
Toronto, Ottawa, Ontario; Joliette, Quebec; Burnaby, B.C.; Edmonton, Alberta; Winnipeg, Manitoba.

Ella Skinner Uniforms, Ltd.
Toronto, Ontario; Montreal, Quebec, Canada

McEwen Sainthill Division
Montreal, Quebec, Canada

Health Care:

Mars Manufacturing Company
Asheville, North Carolina

Mars White Knight Disposable Products

Specialized Disposable Products:

Struble & Moffitt Company
Runnemede, New Jersey

M and B Manufacturing Co.
Asheville, North Carolina

Work Wear Corp. of Canada, Ltd.

Wiz-Wipes Division
Toronto, Ontario; Maplewood, NJ; Beeston, Nottingham, England

White Knight Hospital Disposables
Childersburg, AL; Douglas, AZ; Dallas, Texas

Percept Division

Norcross, Georgia
Produces disposable and reusable garments and surgical packs for hospital and other medical facilities and disposable work clothing for industry.

Industrias, APSON S.A. de C.V.
Agua Prieta, Sonora, Mexico

NOTE: All of the capital stock of Work Wear Corporation, an Ohio corporation, and its subsidiaries, was acquired on June 19, 1986, pursuant to a merger which has been accounted for by the Company (Work Wear Corporation, a Delaware Corporation) under the purchase method of accounting.

Sales & Earnings

	Revenues +	Net Income †
12/31/88	268,240,000	\$ (3,988,000)
12/31/87	261,240,000	(2,927,000)
12/31/86*	124,850,000	798,000
6/30/86*	122,917,000	3,221,000
12/31/85‡	240,921,000	9,687,000

	No. of Com. Shares #	Earn. per Share #†
12/31/88	1,038,400	—
12/31/87	1,038,400	—
12/31/86*	1,000,000	—
6/30/86*	1,000,000	—

(Loss)

* 6 months

‡ Predecessor company

+ Includes rental service income and sales; of continuing operations only.

† Including extraordinary loss of \$427,000 in the period ending Dec. 31, 1986.

Not considered meaningful because the Company is privately held.

Common Stock Equity

	Total Equity	Equity Per Share
1988	\$ 10,624,000	\$ 10.23
12/31/87	15,003,000	14.45
12/31/86	13,841,000	13.84
6/30/86*	12,500,000	12.50
12/31/85+	60,672,000	—

+ Predecessor company.

Income Account * (000's)

Year ended Dec. 31	1988	1987
Revenues	\$ 268,240	\$ 261,240
Cost of sales	204,231	194,597
Expenses	48,020	43,442
Interest expense	18,312	17,869
Gen. corp. expense	3,773	3,448
Unusual items	(3,653)	763
Inc. (loss) bef. taxes	\$ (2,443)	\$ 1,121
Income taxes	1,545	4,048
Net Loss	\$ (3,988)	\$ (2,927)

* Included in Costs and Expenses, Depreciation and Amortization: \$5,302,000 in 1988 and \$4,847,000 in 1987.

Assets (000's)

As of Dec. 31	1988	1987
Cash & cash equiv.	\$ 3,929	\$ 7,828
Short-term invest.	9,084	—
Accts. and notes receiv., net	38,955	46,234
Other receivables	6,137	3,845
Inventories	65,778	66,972
Prepaid expenses	5,614	1,894
Current Assets	\$ 129,497	\$ 126,773
# Fixed assets	31,256	34,292
Other assets	17,857	19,000
Total Assets	\$ 178,610	\$ 180,065

Liabilities (000's)

Notes payable	\$ —	\$ 25
Long-term debt, curr.	4,405	4,094
Debt to affil.	—	562
Accts. payable	12,463	12,753
Accrued payroll	2,906	4,536
Accrued interest	1,193	503
Income taxes	7,968	4,968
Other curr. liab.	2,356	3,828
Current Liabilities	\$ 31,291	\$ 31,269

Work Wear Corporation, Inc.

Long-term debt	136,513	133,610
Deferred inc. taxes	182	183
+ Common stock	12,980	12,980
Retained earnings (deficit)	(6,147)	(2,129)
Foreign curr. translation adj.	3,791	4,152
Total Liabilities & Shareholders' Equity	\$ 178,610	\$ 180,065

* At lower of cost (U.S. manufacturing companies at LIFO;
all others at FIFO) or market.
Less accumulated depreciation.
+ No par value.

Statistical Summary

Debt to Equity	13.26	9.18
Working Capital	\$ 98,206,000	\$ 95,504,000
Current Ratio	4.14	4.05
Shareholders' Equity	\$ 10,624,000	\$ 15,003,000

Index of Textile Trademarks

Note: This listing includes textile and apparel trademarks and brand names only. It pertains only to those publicly-held companies which are listed in this book. Although this listing is not complete, our editors have tried to be as thorough as possible. This is a complete listing of textile and apparel trademarks and brand names. This index is compiled from many sources including information supplied by the companies listed.

	PAGE		PAGE
A. Smile (see The Cherokee Group)	23	American Outbreak (see Kellwood Company)	84
A. Sulka (see Syms Corp.)	138	Amoco (see Amoco Corporation)	4
A-Acrlan (see Monsanto Company)	100	AmoWeve (see Amoco Corporation)	4
Acrlan (see Monsanto Company)	100	Amy (see Sirco International Corp.)	130
Across the Street (see Kellwood Company)	84	Anchor (see Coats Viyella Plc)	24
Action Bac (see Amoco Corporation)	4	Andrea Gayle (see The Leslie Fay Companies, Inc.)	89
Action Bags (see Sirco International Corp.)	130	Angel Treads (see R.G. Barry Corporation)	8
Action-Line (see Work Wear Corporation, Inc.)	149	Angels Flight (see Dylex Limited)	42
Activa II (see Guilford Mills, Inc.)	66	Anne Klein* (see Salant Corporation)	122
Activity Road (see Beeba's Creations, Inc.)	10	Anne Klein for New Aspects* (see Salant Corporation)	122
Adirondack (see Figgie International Inc.)	53	Anne Klein for New Aspects (see Manhattan Industries, Inc.)	93
Adler (see Crystal Brands, Inc.)	30	Anne Leslie (see Sanmark-Stardust Inc.)	125
Adolfo (see Adams-Millis Corporation)	1	Anso (see Allied-Signal, Inc.)	3
Adoration (see E.I. du Pont de Nemours & Company)	39	Anso IV (see Allied-Signal, Inc.)	3
Adver Blimp (see Raven Industries, Inc.)	117	Anso V Worry-Free (see Allied-Signal, Inc.)	3
Aero (see Coats Viyella Plc)	24	Anso X (see Allied-Signal, Inc.)	3
Aertex (see Coats Viyella Plc)	24	Anticipating Life (see Angelica Corporation)	6
AFRC (see Raven Industries, Inc.)	117	Antron (see E.I. du Pont de Nemours & Company)	39
Aileen (see Aileen, Inc.)	2	Antron (see Alba-Waldensian, Inc.)	2
Aileen Petite (see Aileen, Inc.)	2	A-OK (see Sara Lee Corporation)	126
Aileen Too (see Aileen, Inc.)	2	Appel + Brooks+ Webber Uniforms (see Superior Surgical Mfg. Co., Inc.)	137
Air Elite (see NIKE, Inc.)	106	Apples for Life (see Angelica Corporation)	6
Air Force III High (see NIKE, Inc.)	106	Aptan (see Coats Viyella Plc)	24
Air Jordan (see NIKE, Inc.)	106	Arandale (see Lister & Co. p.l.c.)	90
Air Play (see NIKE, Inc.)	106	Ardina* (see E.I. du Pont de Nemours & Company)	39
Air Stab (see NIKE, Inc.)	106	Ariloft (see Eastman Kodak Company)	43
Air Step (see Brown Group, Inc.)	18	Aris (see Sara Lee Corporation)	126
Air Strike Supreme M (see NIKE, Inc.)	106	Arnold Palmer (see ProGroup, Inc.)	115
Air Trainer (see NIKE, Inc.)	106	Arrow (see West Point-Pepperell, Inc.)	146
Air-Max (see NIKE, Inc.)	106	Artex (see Jostens, Inc.)	83
Alamac (see West Point-Pepperell, Inc.)	146	Arthur-Arthur (see Kellwood Company)	84
Alan Flusser (see Phillips-Van Heusen Corporation)	112	Artic Armor (see Consoltex Canada Inc.)	26
Alba (see Alba-Waldensian, Inc.)	2	Ashley (see Salem Carpet Mills, Inc.)	123
Albert Nipon (see The Leslie Fay Companies, Inc.)	89	Ashley Reid (see Russ Togs, Inc.)	121
ALCAZAR U.S.A. (see Kellwood Company)	84	AstroTurf (see Monsanto Company)	100
Alexander Julian (see Adams-Millis Corporation)	1	Austin Hill (see Crystal Brands, Inc.)	30
Alexander Smith (see Mohasco Corporation)	99	Austin Reed of Regent Street (see Hartmarx Corporation)	69
All Day Long (see Alba-Waldensian, Inc.)	2	Auto Tex (see Guilford Mills, Inc.)	66
Allen Solly (see Coats Viyella Plc)	24	Avenues (see Russ Togs, Inc.)	121
Alliance (see West Point-Pepperell, Inc.)	146	Avia (see Reebok International Ltd.)	118
Alluressa (see Burlington Industries, Inc.)	19	Avimid K (see E.I. du Pont de Nemours & Company)	39
Allyn St. George (see Hartmarx Corporation)	69	Avocado (see Beeba's Creations, Inc.)	10
Alure II (see West Point-Pepperell, Inc.)	146		
American Camper (see Fuqua Industries, Inc.)	57		
American Collections Ltd. (see Kellwood Company)	84		
American Mood (see Thomaston Mills, Inc.)	140		

Index of Textile Trademarks

	PAGE		PAGE
The Axiom (see ProGroup, Inc.)	115	Blassport (see Crystal Brands, Inc.)	30
Baby Capezio (see Jumping-Jacks Shoes, Inc.)	84	Block Island (see Kellwood Company)	84
Baby Jacks (see Jumping-Jacks Shoes, Inc.)	84	Blossoms (see Rocky Mount Undergarment Co., Inc.)	119
Baby Supersoft (see Lister & Co. p.l.c.)	90	Blue Ribbon (see Boss Manufacturing Company)	15
Baby-Gro (see Kleinert's, Inc.)	86	Bob Burger (see West Point-Pepperell, Inc.)	146
Baccarat (see Phillips-Van Heusen Corporation)	112	Bobbie Brooks (see Garan, Incorporated)	59
Bali (see Sara Lee Corporation)	126	Bobby Jones (see Hartmarx Corporation)	69
Bali (see Lister & Co. p.l.c.)	90	Body Drama (see Beeba's Creations, Inc.)	10
Ballantyne (see Dawson International plc)	33	Body Tease (see Beeba's Creations, Inc.)	10
Balmain (see Manhattan Industries, Inc.)	93	Bolero (see Kleinert's, Inc.)	86
Balthazar (see Munsingwear, Inc.)	101	Bon Jour* (see Stage II Apparel Corp.)	134
Band-Abouts (see Munsingwear, Inc.)	101	Bon-Foam 400 (see Georgia Bonded Fibers, Inc.)	61
Baracuta (see Phillips-Van Heusen Corporation)	112	Bon-Pel (see Georgia Bonded Fibers, Inc.)	61
Barbie Fashion Footwear* (see Brown Group, Inc.)	18	Bontex (see Georgia Bonded Fibers, Inc.)	61
Barelings (see Munsingwear, Inc.)	101	Boot Mates (see Alba-Waldensian, Inc.)	2
Barrie (see Dawson International plc)	33	Boss (see Boss Manufacturing Company)	15
Bartoli Handbags (see Sirco International Corp.)	130	Bouclette (see Fab Industries, Inc.)	48
Bass Weejuns (see Phillips-Van Heusen Corporation)	112	Boulevard (see National Service Industries, Inc.)	104
Baynard Sport (see Manhattan Industries, Inc.)	93	Boutique (see Belding Heminway Company, Inc.)	11
BBW (see Alba-Waldensian, Inc.)	2	Braemar (see Lister & Co. p.l.c.)	90
B.D. Baggies (see Damon Creations, Inc.)	32	Braemar (see Dawson International plc)	33
Beautyrest (see Louisville Bedding Company)	92	Braemar International (see Dawson International plc)	33
Bebon (see Dixie Yarns, Inc.)	35	Brannoch (see Crystal Brands, Inc.)	30
Bedkins (see Kellwood Company)	84	Break Away (see Hampton Industries, Inc.)	67
Beefy-T (see Sara Lee Corporation)	126	Breckenridge (see The Leslie Fay Companies, Inc.)	89
Beehive (see Coats Viyella Plc)	24	Breckenridge II (see The Leslie Fay Companies, Inc.)	89
Bekaert (see W.R. Grace & Co.)	64	Breckenridge Petites (see The Leslie Fay Companies, Inc.)	89
Berkley (see Salant Corporation)	122	Briar (see Hartmarx Corporation)	69
Bernardo (see Jumping-Jacks Shoes, Inc.)	84	British Van Heusen (see Coats Viyella Plc)	24
BestPack (see Manville Corporation)	94	Brittania (see Nantucket Industries, Inc.)	102
Beta (see Owens-Corning Fiberglas Corporation)	109	Brittania* (see Brown Group, Inc.)	18
Beta Care (see Owens-Corning Fiberglas Corporation)	109	Bronzini* (see Stage II Apparel Corp.)	134
Betty Boop (see Sanmark-Stardust Inc.)	125	Bronzoni* (see Salant Corporation)	122
Beverly Hills* (see Stage II Apparel Corp.)	134	Bruck (see Consoltex Canada Inc.)	26
bibo (see Garan, Incorporated)	59	Brut* (see Nantucket Industries, Inc.)	102
Big Ape (see Boss Manufacturing Company)	15	Brut 33* (see Nantucket Industries, Inc.)	102
Big Beautiful Woman (BBW) (see Sanmark-Stardust Inc.)	125	Bubblegummers (see Crocodile Garments Limited)	28
Bigelow (see Fieldcrest Cannon Inc.)	52	Bud Berma (see Russ Togs, Inc.)	121
Bill Blass (see United Merchants and Manufacturers, Inc.)	142	Bueno (see Sirco International Corp.)	130
Bill Blass (see Sara Lee Corporation)	126	Burberrys* (see West Point-Pepperell, Inc.)	146
Bill Blass (see Adams-Millis Corporation)	1	Burlana (see Burlington Industries, Inc.)	19
Bi-Loft (see Monsanto Company)	100	Burlington House (see Burlington Industries, Inc.)	19
Bi-nell* (see E.I. du Pont de Nemours & Company)	39	Burlington Ms. (see Burlington Industries, Inc.)	19
Binet (see Harvard Knitwear, Inc.)	70	Bur-Mil (see Burlington Industries, Inc.)	19
Biscote (see The Cherokee Group)	23	Buster Brown (see Gerber Products Company)	62
B.J. Design Concepts (see Oxford Industries, Inc.)	111	Buster Brown (see Brown Group, Inc.)	18
B.J. Frog (see Mayfair Industries, Inc.)	96	Busters (see Brown Group, Inc.)	18
B.K.I. (see Harvard Knitwear, Inc.)	70	B.V.D. (see Fruit Of The Loom, Inc.)	56
Blanket (see Owens-Corning Fiberglas Corporation)	109		

Index of Textile Trademarks

	PAGE		PAGE
BVD (see Adams-Millis Corporation)	1	Celcon (see Hoechst Aktiengesellschaft)	73
Byford (see Coats Viyella Plc)	24	Celebrate! (see Hoechst Celanese Corporation)	74
Byford (see Coats Viyella Plc)	24	Celebrity by Palm Beach (see Crystal Brands, Inc.)	30
Bytrece (see E.I. du Pont de Nemours & Company)	39	Celecloud (see Celanese Canada Inc.)	21
Cabin Crafts (see Shaw Industries, Inc.)	128	Celisa (see Celanese Canada Inc.)	21
Cacharel (see The Samsung Group)	124	Celtron (see Celanese Canada Inc.)	21
Cacharel (see Phillips-Van Heusen Corporation)	112	Cerex (see Monsanto Company)	100
Caldwell (see Dominion Textile, Inc.)	36	Certainly Me (see Alba-Waldensian, Inc.)	2
Cale Thomas (see Crocodile Garments Limited)	28	Cesarani (see Hartmarx Corporation)	69
The California Raisins* (see Rocky Mount Undergarment Co., Inc.)	119	Ceylon (see Hoechst Celanese Corporation)	74
Calvin Clothing (see Crystal Brands, Inc.)	30	Chace (see United Merchants and Manufacturers, Inc.)	142
Camelot (see Lister & Co. p.l.c.)	90	Chain (see Coats Viyella Plc)	24
Camp (see Fruit Of The Loom, Inc.)	56	Champion (see Feltex International Limited)	50
Cancel Stat (see Guilford Mills, Inc.)	66	Champion (see Champion Products Inc.)	23
Cannon (see Fieldcrest Cannon Inc.)	52	Champion U.S.A. (see Champion Products Inc.)	23
Cantilever (see Reebok International Ltd.)	118	Champruit (see Champion Products Inc.)	23
Cantreze (see E.I. du Pont de Nemours & Company)	39	Chapel Hill (see National Service Industries, Inc.)	104
Canvex (see Raven Industries, Inc.)	117	Chaps by Ralph Lauren* (see The Warnaco Group, Inc.)	145
Cape Cod Country Club (see Kellwood Company)	84	Chaps by Ralph Lauren (see Genesco Inc.)	61
Cape Cod Matchmates (see Kellwood Company)	84	Charleston Traders (see Instrument Systems Corporation)	78
Capezio* (see R.G. Barry Corporation)	8	Charm Step (see Genesco Inc.)	61
Capima (see Allied-Signal, Inc.)	3	Charmant (see Guilford Mills, Inc.)	66
Capricorn (see Lister & Co. p.l.c.)	90	Chaus (see Bernard Chaus, Inc.)	14
Caprolan (see Allied-Signal, Inc.)	3	Chaus Petite (see Bernard Chaus, Inc.)	14
Captina (see Allied-Signal, Inc.)	3	Chaus Petite Sport (see Bernard Chaus, Inc.)	14
Captiva (see Allied-Signal, Inc.)	3	Chaus Sport (see Bernard Chaus, Inc.)	14
CARAVAN (see Nordisk Fjerfabrik Aktieselskab)	106	Chaus Woman (see Bernard Chaus, Inc.)	14
Careermax (see Hartmarx Corporation)	69	Chaus Woman Sport (see Bernard Chaus, Inc.)	14
Carefree (see Wickes Companies, Inc.)	147	Cheminille (see Guilford Mills, Inc.)	66
Carefree (see Sirco International Corp.)	130	Chemstitch (see Guilford Mills, Inc.)	66
Carelle (see Low & Bonar PLC)	92	Chemstrand (see Monsanto Company)	100
Carrera* (see The Warnaco Group, Inc.)	145	Cherokee (see The Cherokee Group)	23
Carrington (see Coats Viyella Plc)	24	Chez T (see Beeba's Creations, Inc.)	10
Carter's (see The William Carter Company)	147	Chiara (see Reebok International Ltd.)	118
Carwood (see Delta Woodside Industries, Inc.)	34	Chilprufe (see Coats Viyella Plc)	24
Casey and Max (see Oak Hill Sportswear Corporation)	107	Chimo (see Figgie International Inc.)	53
Casey and Max Additions (see Oak Hill Sportswear Corporation)	107	Chortex (see Coats Viyella Plc)	24
Cashmere & Company (see Dawson International plc)	33	Christian Dior (see Hartmarx Corporation)	69
Cashmere Cashmere (see Dawson International plc)	33	Christian Dior* (see State-O-Maine, Inc.)	135
Castleberry Knits (see The Leslie Fay Companies, Inc.)	89	Christian Dior* (see The Warnaco Group, Inc.)	145
Cavlon (see Guilford Mills, Inc.)	66	Christian Dior (see Fruit Of The Loom, Inc.)	56
CBA (see Russ Togs, Inc.)	121	Chromspun (see Eastman Kodak Company)	43
Ce Soir (see Sara Lee Corporation)	126	Cine Star (see Sanmark-Stardust Inc.)	125
Celanese (see Celanese Canada Inc.)	21	Cinema Etoile (see Sanmark-Stardust Inc.)	125
Celanese PA 66 (see Hoechst Aktiengesellschaft)	73	Civona* (see E.I. du Pont de Nemours & Company)	39
Celanex (see Hoechst Aktiengesellschaft)	73	Claiborne (see Liz Claiborne, Inc.)	91
		Classic (see Lister & Co. p.l.c.)	90
		Classic (see Belding Heminway Company, Inc.)	11
		Clothesworks (see Winjak, Inc.)	148

Index of Textile Trademarks

	PAGE		PAGE
Clydella (see Coats Viyella Plc)	24	Crazy Horse Girl (see Russ Togs, Inc.)	121
Code Bleu (see The Cherokee Group)	23	Crazy Horse II (see Russ Togs, Inc.)	121
Code West (see Genesco Inc.)	61	Crazy Horse Young Junior (see Russ Togs, Inc.)	121
Cole Haan (see NIKE, Inc.)	106	Creative Classics (see Galaxy Carpet Mills, Inc.)	59
College Hall (see Eagle Clothes, Inc.)	43	Creel-Pak (see Owens-Corning Fiberglas Corporation)	109
Collegiate-Pacific (see Littlefield, Adams & Company)	90	Crepe Candide (see Fab Industries, Inc.)	48
Collier-Campbell* (see West Point-Pepperell, Inc.)	146	Crepelon (see Munsingwear, Inc.)	101
Color House (see Wickes Companies, Inc.)	147	Cricketer Lane (see Kellwood Company)	84
Color Me Beautiful (see Hartmarx Corporation)	69	Cricketeer (see Phillips-Van Heusen Corporation)	112
Coloralls (see Sara Lee Corporation)	126	Cricketeer Woman (see Phillips-Van Heusen Corporation)	112
Colours by Alexander Julian* (see West Point-Pepperell, Inc.)	146	Cross Creek (see Quality Mills, Incorporated)	116
Comfort* (see E.I. du Pont de Nemours & Company)	39	Cross Creek (see Russell Corporation)	121
Comfort Fiber (see Hoechst Celanese Corporation)	74	Crossfire (see Burlington Industries, Inc.)	19
Comfy (see Raven Industries, Inc.)	117	Crown (see Crown Crafts, Inc.)	28
Comfy Ski (see Raven Industries, Inc.)	117	Crown Crafts (see Crown Crafts, Inc.)	28
Como Diffusion (see Munsingwear, Inc.)	101	Croydon (see The Warnaco Group, Inc.)	145
Confezioni Riserva Luciano Franzoni (see Hartmarx Corporation)	69	Crusader (see Lister & Co. p.l.c.)	90
Connie (see Brown Group, Inc.)	18	Cuddle Fleece (see Guilford Mills, Inc.)	66
Consensus (see West Point-Pepperell, Inc.)	146	CuddleSoft (see Munsingwear, Inc.)	101
Consoltex (see Consoltex Canada Inc.)	26	CURITY* (see Gerber Products Company)	62
Con-Tact (see United Merchants and Manufacturers, Inc.)	142	Curtain velvets: Westminster (see Lister & Co. p.l.c.)	90
Coolmax (see Dixie Yarns, Inc.)	35	Cushion Mates (see Alba-Waldensian, Inc.)	2
Coolmax (see E.I. du Pont de Nemours & Company)	39	Custom Club (see Phillips-Van Heusen Corporation)	112
Cordura (see E.I. du Pont de Nemours & Company)	39	Custom Designs (see Springs Industries, Inc.)	133
Corespun (see Dixie Yarns, Inc.)	35	Cutecumbers (see Sanmark-Stardust Inc.)	125
Corporate Square Nova (see Feltex International Limited)	50	CV Carpets (see Coats Viyella Plc)	24
Corticelli (see Belding Heminway Company, Inc.)	11	Cyclone (see Coats Viyella Plc)	24
Corum (see Phillips-Van Heusen Corporation)	112	Dacron (see E.I. du Pont de Nemours & Company)	39
Cos Cob (see Oxford Industries, Inc.)	111	Daks (see Phillips-Van Heusen Corporation)	112
Costumaker (see Belding Heminway Company, Inc.)	11	Dalkeith (see Coats Viyella Plc)	24
Cotton Aire (see Alba-Waldensian, Inc.)	2	Damon (see Damon Creations, Inc.)	32
Cotton Blossom (see Rocky Mount Undergarment Co., Inc.)	119	Dana Buchman (see Liz Claiborne, Inc.)	91
Cotton Classics (see Munsingwear, Inc.)	101	Dante (see Humphreys Inc.)	76
Cotton Where It Counts (see Savoy Industries, Inc.)	127	Danufil (see Hoechst Aktiengesellschaft)	73
Cotton-Cale (see West Point-Pepperell, Inc.)	146	Danufil CS (see Hoechst Aktiengesellschaft)	73
Country Britches (see Phillips-Van Heusen Corporation)	112	d'Armigene (see Superior Surgical Mfg. Co., Inc.)	137
Country Casuals (see Coats Viyella Plc)	24	David & Dash (see Dash Industries, Inc.)	33
Country Gentlemen (see Guilford Mills, Inc.)	66	David Brooks Ltd. (see Kellwood Company)	84
Country Miss (see Hartmarx Corporation)	69	D.D. Sloane (see Jay Jacobs, Inc.)	80
Country Suburbans (see Hartmarx Corporation)	69	De Rotchild (see Pope, Evans and Robbins Incorporated)	113
CoxMoore (see CoxMoore plc)	27	Dearfoams (see R.G. Barry Corporation)	8
Cozy Cafe (see Springs Industries, Inc.)	133	Dearfoams For Kids (see R.G. Barry Corporation)	8
Crazy Horse (see Russ Togs, Inc.)	121	Dearfoams for Men (see R.G. Barry Corporation)	8
		DeLiso (see Brown Group, Inc.)	18
		Denver Jean (see Kellwood Company)	84
		Design of Dog (Tige) (see Gerber Products Company)	62
		Design Studio Spiegel; Vibes (see Spiegel, Inc.)	132

Index of Textile Trademarks

	PAGE		PAGE
Devonshire from Country Inn (see West Point-Pepperell, Inc.)	146	Eastman (see Eastman Kodak Company)	43
DHJ (see Dominion Textile, Inc.)	36	Eastobond (see Eastman Kodak Company)	43
Diana Cowpe (see Coats Viyella Plc)	24	Eastobruite (see Eastman Kodak Company)	43
Diane Von Furstenberg (see Adams-Millis Corporation)	1	Eastone (see Eastman Kodak Company)	43
Dici (see Sara Lee Corporation)	126	Eastrobond (see Eastman Kodak Company)	43
Dimensionair (see Owens-Corning Fiberglas Corporation)	109	Eastron (see Eastman Kodak Company)	43
Dimitri*. *Under licensing agreement (see Rocky Mount Undergarment Co., Inc.)	119	Easy Street (see Genesco Inc.)	61
Dior le Connaisseur* (see The Warnaco Group, Inc.)	145	Eileen West* (see West Point-Pepperell, Inc.)	146
Discus (see Tultex Corporation)	140	E.J. Gitano (see The Gitano Group, Inc.)	63
Disney (see Adams-Millis Corporation)	1	Electric Sok (see Alba-Waldensian, Inc.)	2
Dispatch (see Russ Togs, Inc.)	121	Elegant Fashions (see Bobbie Brooks, Inc.)	14
Dolan (see Hoechst Aktiengesellschaft)	73	Eligere (see Wickes Companies, Inc.)	147
Donaghadee (see Coats Viyella Plc)	24	Elite (see Lister & Co. p.l.c.)	90
Donald Brooks (see Genesco Inc.)	61	Ella Skinner Uniforms (see Work Wear Corporation, Inc.)	149
Donna Karan (see Sara Lee Corporation)	126	Ellesse (see Reebok International Ltd.)	118
Donna Morgan for Non-Stop (see The Leslie Fay Companies, Inc.)	89	Elura (see Monsanto Company)	100
Donna Richards (see Kellwood Company)	84	Elustra (see Hercules Incorporated)	71
Doral (see Champion Products Inc.)	23	Elustra (see Munsingwear, Inc.)	101
Dorma (see Dominion Textile, Inc.)	36	Embraceable (see West Point-Pepperell, Inc.)	146
Dorma (see Coats Viyella Plc)	24	Emporio Gitano (see The Gitano Group, Inc.)	63
DoubleSuede (see Fab Industries, Inc.)	48	En Chante (see Kellwood Company)	84
dr. Denton (see Salant Corporation)	122	En Chante Kids (see Kellwood Company)	84
Dralon (see Dawson International plc)	33	Encore (see Guilford Mills, Inc.)	66
Dralon; Underblankets; Pleasantdreams; Floor rugs; Leonardo (see Lister & Co. p.l.c.)	90	Endo-Stat (see Burlington Industries, Inc.)	19
DresSports (see Reebok International Ltd.)	118	Endurall (see Champion Products Inc.)	23
Drima (see Coats Viyella Plc)	24	Energy Miser (see Owens-Corning Fiberglas Corporation)	109
Du Pont (see E.I. du Pont de Nemours & Company)	39	English Leather* (see Fuqua Industries, Inc.)	57
Dual Duty (see Coats Viyella Plc)	24	Enro (see Damon Creations, Inc.)	32
Duckster (see ProGroup, Inc.)	115	Ensign (see Ensign Clothing Limited)	46
Duet (see Coats Viyella Plc)	24	Epic (see Coats Viyella Plc)	24
Dunlop (see Adams-Millis Corporation)	1	EPS Evan-Picone Sport (see Crystal Brands, Inc.)	30
Dunlop Sports (see Dunlop (BTR Dunlop Limited))	38	The Equipe (see Burlington Industries, Inc.)	19
Duofold (see Dawson International plc)	33	Equipment by Henry Grethel (see Manhattan Industries, Inc.)	93
Dura Foil (see Manville Corporation)	94	Equipment for Women (see Manhattan Industries, Inc.)	93
Dura Glass (see Manville Corporation)	94	Ernesto W (see Howard B. Wolf, Inc.)	75
Duralite (see Kleinert's, Inc.)	86	ERS (see Reebok International Ltd.)	118
Duravel (see Guilford Mills, Inc.)	66	Erwin (see Burlington Industries, Inc.)	19
Durene (see Dixie Yarns, Inc.)	35	Escadrille (see Hartmarx Corporation)	69
Dynasty One (see Guilford Mills, Inc.)	66	Esmond (see Dominion Textile, Inc.)	36
Dypac* (see E.I. du Pont de Nemours & Company)	39	ESP (see Hoechst Celanese Corporation)	74
E. Joven (see Farah, Inc.)	49	Esprit* (see West Point-Pepperell, Inc.)	146
Eagle Clothes (see Eagle Clothes, Inc.)	43	Etienne Aigner (see United Merchants and Manufacturers, Inc.)	142
Eagle Shirtmakers (see Crystal Brands, Inc.)	30	Etienne Aigner (see Phillips-Van Heusen Corporation)	112
Eagle University (see Eagle Clothes, Inc.)	43	Etienne Carron (see Eagle Clothes, Inc.)	43
		Evan-Picone (see Crystal Brands, Inc.)	30
		Even-Picone for Men (see Crystal Brands, Inc.)	30

Index of Textile Trademarks

	PAGE		PAGE
Everlast* (see Orbit Instrument Corporation)	108	Forsyth (see Dylex Limited)	42
Evvaprest (see Coats Viyella Plc)	24	Four Seasons (see Wickes Companies, Inc.)	147
Expandra (see Burlington Industries, Inc.)	19	417 (see Phillips-Van Heusen Corporation)	112
Extra Energy (see Pope, Evans and Robbins Incorporated)	113	Foxcroft (see Damon Creations, Inc.)	32
Fabiana (see Fab Industries, Inc.)	48	FR Chem-Free (see Guilford Mills, Inc.)	66
Fabiella (see Fab Industries, Inc.)	48	Frankly Feminine (see Munsingwear, Inc.)	101
Fahrenheit (see Guilford Mills, Inc.)	66	Fred David (see Munsingwear, Inc.)	101
Fairfax (see West Point-Pepperell, Inc.)	146	Fred Perry* (see Stage II Apparel Corp.)	134
Fanfares (see Brown Group, Inc.)	18	Fred Perry (see Figgie International Inc.)	53
FARAH (see Farah, Inc.)	49	French & Stanbury (see Genesco Inc.)	61
Farah Clothing Company (see Farah, Inc.)	49	Fresh Squeeze (see Bayly Corp.)	9
Fashion Seal Disposables (see Superior Surgical Mfg. Co., Inc.)	137	Freudenberg (see Feltex International Limited)	50
Fashion Seal/Shane Uniforms (see Superior Surgical Mfg. Co., Inc.)	137	Frost Bros. (see Manhattan Industries, Inc.)	93
Fashionaire (see Hartmarx Corporation)	69	Frost Fire (see Fab Industries, Inc.)	48
FashionPleat (see Springs Industries, Inc.)	133	Fruit of the Loom (see Fruit Of The Loom, Inc.)	56
FastPak (see Manville Corporation)	94	Fulcrum (see Crystal Brands, Inc.)	30
The Feelbetter Fit (see Munsingwear, Inc.)	101	Fulcrum (see Crystal Brands, Inc.)	30
Feltex (see Feltex International Limited)	50	Fungals (see Fruit Of The Loom, Inc.)	56
Feltex Modular Carpets (see Feltex International Limited)	50	Funpals (see Fruit Of The Loom, Inc.)	56
Feltex Wools (see Feltex International Limited)	50	Futura (see Consoltex Canada Inc.)	26
Feltex Yarns (see Feltex International Limited)	50	Future Step (see Galaxy Carpet Mills, Inc.)	59
Fiberglas (see Owens-Corning Fiberglas Corporation)	109	Gafglas (see GAF Corporation)	58
Fiberseal* (see E.I. du Pont de Nemours & Company)	39	Galaxy (see The Samsung Group)	124
Fibrelok (see Feltex International Limited)	50	Galaxy (see Lister & Co. p.l.c.)	90
Field & Stream (see Adams-Millis Corporation)	1	Galey & Lord (see Burlington Industries, Inc.)	19
Fieldcrest (see Fieldcrest Cannon Inc.)	52	Gant (see Crystal Brands, Inc.)	30
Fi-Lana (see Monsanto Company)	100	Gant for Boys. *Licensed (see Crystal Brands, Inc.)	30
Finesse (see Kellwood Company)	84	Gantrez (see GAF Corporation)	58
Firenza (see Crystal Brands, Inc.)	30	Gap Wrap (see Superior Surgical Mfg. Co., Inc.)	137
Fireside (see Thomaston Mills, Inc.)	140	Garan (see Garan, Incorporated)	59
First Flight (see ProGroup, Inc.)	115	Garan Advantage (see Garan, Incorporated)	59
First Issue (see Liz Claiborne, Inc.)	91	Garan by Marita (see Garan, Incorporated)	59
Firth (see Mohasco Corporation)	99	Garan Man (see Garan, Incorporated)	59
Fitting Pretty (see Sara Lee Corporation)	126	Garan Mountain Lion (see Garan, Incorporated)	59
Flannel-Flannel II (see Guilford Mills, Inc.)	66	Garanimals (see Garan, Incorporated)	59
Flexnit (see Sara Lee Corporation)	126	Gear by Van Heusen (see Phillips-Van Heusen Corporation)	112
Florida (see Lister & Co. p.l.c.)	90	Gemstone (see Lister & Co. p.l.c.)	90
Flowtite (see Owens-Corning Fiberglas Corporation)	109	Generation Two (see Rocky Mount Undergarment Co., Inc.)	119
Footworks (see Brown Group, Inc.)	18	Generra Collections (see Farah, Inc.)	49
Footworks (see Brown Group, Inc.)	18	Geoffrey Beene (see Phillips-Van Heusen Corporation)	112
For Athletic Use Only (see Reebok International Ltd.)	118	Georgetown Classics (see Instrument Systems Corporation)	78
For You the Contemporary Vassarette (see Munsingwear, Inc.)	101	Georgian (see Lister & Co. p.l.c.)	90
Forge (see Munsingwear, Inc.)	101	Gerber (see Gerber Products Company)	62
Forstmann (see West Point-Pepperell, Inc.)	146	Gerber and Baby Head (see Gerber Products Company)	62
		Gieves & Hawkes (see Hartmarx Corporation)	69
		Giorgio Sant' Angelo (see Eagle Clothes, Inc.)	43
		Gitano (see The Gitano Group, Inc.)	63

Index of Textile Trademarks

	PAGE		PAGE
Givenchy* (see West Point-Pepperell, Inc.)	146	Harding Carpets (see The New Harding Group Inc.)	104
Gladys Bagley Petites (see Pope, Evans and Robbins Incorporated)	113	Harmal (see Oak Hill Sportswear Corporation)	107
Gladys Bagley (see Pope, Evans and Robbins Incorporated)	113	Harmonie (see Dominion Textile, Inc.)	36
Glass Thane (see Manville Corporation)	94	Harness House (see Manhattan Industries, Inc.)	93
Gleneagles (see Hartmarx Corporation)	69	Harness House (see Salant Corporation)	122
Glenmac (see Dawson International plc)	33	Hart Schaffner & Marx (see Hartmarx Corporation)	69
Gloria Vanderbilt (see The Gitano Group, Inc.)	63	Harvard (see Harvard Knitwear, Inc.)	70
Gold Toe (see West Point-Pepperell, Inc.)	146	Haspel (see Crystal Brands, Inc.)	30
Golden Glow (see BASF Corporation)	9	Hathaway (see The Warnaco Group, Inc.)	145
Golden Eagle (see Eagle Clothes, Inc.)	43	Hatton (see Sirco International Corp.)	130
Golden Touch (see BASF Corporation)	9	Head (see The Leslie Fay Companies, Inc.)	89
Goldentex (see The Samsung Group)	124	Head Europe (see The Leslie Fay Companies, Inc.)	89
Goodall (see Burlington Industries, Inc.)	19	Healthknit (see Delta Woodside Industries, Inc.)	34
Gore-Tex (see Raven Industries, Inc.)	117	heidi (see Pope, Evans and Robbins Incorporated)	113
Gossamer (see Guilford Mills, Inc.)	66	heidi kids (see Pope, Evans and Robbins Incorporated)	113
Graber (see Springs Industries, Inc.)	133	Henley (see Dylex Limited)	42
Graham & Gunn (see Hartmarx Corporation)	69	Hennessy (see Phillips-Van Heusen Corporation)	112
Grand Slam (see Munsingwear, Inc.)	101	Henry Grethel (see Hartmarx Corporation)	69
Grasshoppers (see The Stride Rite Corporation)	135	HercuFlex (see PPG Industries, Inc.)	113
Greiff (see Wickes Companies, Inc.)	147	Heritage (see Feltex International Limited)	50
Greif (see Genesco Inc.)	61	Heritage U.S.A. (see Signal Apparel Company, Inc.)	129
Guilana (see Guilford Mills, Inc.)	66	Herman (see The Stride Rite Corporation)	135
Guil-lour (see Guilford Mills, Inc.)	66	Herman Survivors (see The Stride Rite Corporation)	135
GuilRiche (see Guilford Mills, Inc.)	66	Hickey-Freeman (see Hartmarx Corporation)	69
Gulistan (see West Point-Pepperell, Inc.)	146	Highlander (see Russ Togs, Inc.)	121
H (see Dawson International plc)	33	Hillary (see Kellwood Company)	84
H. Oritsky (see Hartmarx Corporation)	69	Holbrook (see Oxford Industries, Inc.)	111
Hallmark Emblems (see Superior Surgical Mfg. Co., Inc.)	137	Hollofil (see E.I. du Pont de Nemours & Company)	39
Hamp Shires (see Athlone Industries, Inc.)	7	Horrockses (see Coats Viyella Plc)	24
Hampco (see Hampton Industries, Inc.)	67	Hot Sox (see Nantucket Industries, Inc.)	102
Hampton East Sportswear (see Hampton Industries, Inc.)	67	HOT-Z (see ProGroup, Inc.)	115
Hampton Girl (see Hampton Industries, Inc.)	67	Hotze (see ProGroup, Inc.)	115
Hampton Pajama & Robes (see Hampton Industries, Inc.)	67	Howard Wolf Dress (see Howard B. Wolf, Inc.)	75
Hampton Shirt (see Hampton Industries, Inc.)	67	Howard Wolf (see Howard B. Wolf, Inc.)	75
Handmacher (see Hartmarx Corporation)	69	Howard Wolf Sportswear (see Howard B. Wolf, Inc.)	75
Hands On (see The Cherokee Group)	23	Hunter Haig (see Crystal Brands, Inc.)	30
Hanes (see Sara Lee Corporation)	126	Hunting Valley (see Wickes Companies, Inc.)	147
Hanes (see Adams-Millis Corporation)	1	Huntley of York (see Quality Mills, Incorporated)	116
Hanes Alive (see Sara Lee Corporation)	126	Husky (see Feltex International Limited)	50
Hanes Classics (see Sara Lee Corporation)	126	Hutch (see Fuqua Industries, Inc.)	57
Hanes Her Way (see Sara Lee Corporation)	126	Hydrofil (see Allied-Signal, Inc.)	3
Hanes Her Way (see Sara Lee Corporation)	126	Hyten (see E.I. du Pont de Nemours & Company)	39
Hanes Printables (see Sara Lee Corporation)	126	Ilise Stevens (see Kellwood Company)	84
Hanes Tool (see Sara Lee Corporation)	126	Image (see UCO S.A.)	141
Hanes Ultra Silk (see Sara Lee Corporation)	126	Imperial (see Wickes Companies, Inc.)	147
Hang Ten* (see Rocky Mount Undergarment Co., Inc.)	119	In Short (see Beeba's Creations, Inc.)	10
		Indestructible (see Dominion Textile, Inc.)	36
		Index (see Kellwood Company)	84
		Innervisions (see Crystal Brands, Inc.)	30
		Intima (see Guilford Mills, Inc.)	66

Index of Textile Trademarks

	PAGE		PAGE
Intimates (see Sanmark-Stardust Inc.)	125	Just Right (see Angelica Corporation)	6
Iron Velvet (see Guilford Mills, Inc.)	66	Kangaroo (see Munsingwear, Inc.)	101
Isotoner (see Sara Lee Corporation)	126	Karastan (see Fieldcrest Cannon Inc.)	52
Izod (see Crystal Brands, Inc.)	30	Kashmiracle (see Bobbie Brooks, Inc.)	14
Izod Classics (see Crystal Brands, Inc.)	30	Kasper for A.S.L. (see The Leslie Fay Companies, Inc.)	89
Izod Club (see Crystal Brands, Inc.)	30	Katzenbach & Warren (see Wickes Companies, Inc.)	147
Izod Lacoste (see Crystal Brands, Inc.)	30	Kaufman's Uniforms (see Superior Surgical Mfg. Co., Inc.)	137
J&M for Women (see Genesco Inc.)	61	Kaylo (see Owens-Corning Fiberglas Corporation)	109
J. Jordan (see Jay Jacobs, Inc.)	80	Keds (see The Stride Rite Corporation)	135
Jack Nicklaus* (see The Warnaco Group, Inc.)	145	Keds* (see Fuqua Industries, Inc.)	57
Jack Nicklaus (see Hartmarx Corporation)	69	Kelty (see Kellwood Company)	84
Jack Winter (see Winjak, Inc.)	148	Ken Done* (see Oxford Industries, Inc.)	111
Jaeger (see Coats Viyella Plc)	24	Kensington (see Feltex International Limited)	50
Jaegerman (see Coats Viyella Plc)	24	Kevlar (see Springs Industries, Inc.)	133
J.A.M. (see Mayfair Industries, Inc.)	96	Kevlar (see Hexcel Corporation)	72
James Bliss (see E&B Marine Inc.)	45	Kevlar (see E.I. du Pont de Nemours & Company)	39
James Clifford Ltd (see Harvard Knitwear, Inc.)	70	Khazana (see Beeba's Creations, Inc.)	10
James H. McClory (see ProGroup, Inc.)	115	Kicks (see Kellwood Company)	84
Jane Colby (see Mayfair Industries, Inc.)	96	Kilgour (see Genesco Inc.)	61
Jarman (see Genesco Inc.)	61	Kimberly (see Manhattan Industries, Inc.)	93
Jay Jacobs (see Jay Jacobs, Inc.)	80	Kinney Wallcoverings (see Wickes Companies, Inc.)	147
Jaymar (see Hartmarx Corporation)	69	Kleinert's (see Kleinert's, Inc.)	86
JaySport (see Hartmarx Corporation)	69	Klopman (see Burlington Industries, Inc.)	19
JBK (see Oxford Industries, Inc.)	111	Knit One (see Guilford Mills, Inc.)	66
J.E. Morgan (see Dawson International plc)	33	Knitvivo (see The Leslie Fay Companies, Inc.)	89
Jean Pier Clemente (see Brown Group, Inc.)	18	Knitovations (see Burlington Industries, Inc.)	19
Jell-o (see Garan, Incorporated)	59	Koban (see Coats Viyella Plc)	24
Jerzees (see Russell Corporation)	121	Kodel (see Eastman Kodak Company)	43
J.G. Hook for Boys (see Hampton Industries, Inc.)	67	Kodofill (see Eastman Kodak Company)	43
J.G. Hook for Girls (see Hampton Industries, Inc.)	67	Kodosoff (see Eastman Kodak Company)	43
Jhane Barnes* (see Oxford Industries, Inc.)	111	Komfort Wrap (see Louisville Bedding Company)	92
Jimmy Connors* (see Stage II Apparel Corp.)	134	Kork-Ease (see The Cherokee Group)	23
Joan Collins Lingerie Collection (see Sanmark-Stardust Inc.)	125	Kudos (see National Service Industries, Inc.)	104
joan vass u.s.a.* (see Signal Apparel Company, Inc.)	129	Kuppenheimer (see Hartmarx Corporation)	69
Jockey (see Adams-Millis Corporation)	1	La Beaute (see The Samsung Group)	124
John Henry (see Salant Corporation)	122	La Mode (see Belding Heminway Company, Inc.)	11
John Henry (see Manhattan Industries, Inc.)	93	Lacoste (see Crystal Brands, Inc.)	30
John Henry (see Farah, Inc.)	49	Lacoste Club (see Crystal Brands, Inc.)	30
John Henry for Women (see Manhattan Industries, Inc.)	93	Lady Manhattan (see Manhattan Industries, Inc.)	93
John Weitz* (see Signal Apparel Company, Inc.)	129	lady Baynard (see Manhattan Industries, Inc.)	93
John Weitz* (see Crystal Brands, Inc.)	30	Lady DeRotchild (see Pope, Evans and Robbins Incorporated)	113
John Weitz (see Adams-Millis Corporation)	1	Lady Manhattan (see Salant Corporation)	122
Johnny Carson (see Hartmarx Corporation)	69	Lady Pepperell (see West Point-Pepperell, Inc.)	146
Johnston & Murphy (see Genesco Inc.)	61	Lady Pepperell (see Grafton Group Limited)	65
Josephine (see Bernard Chaus, Inc.)	14	Lady Sansabelt (see Hartmarx Corporation)	69
Josephine Chaus (see Bernard Chaus, Inc.)	14	Ladybird (see Coats Viyella Plc)	24
Josephine Petite (see Bernard Chaus, Inc.)	14	Ladyfinger (see Boss Manufacturing Company)	15
Josephine Woman (see Bernard Chaus, Inc.)	14	Lamar Uniforms (see Superior Surgical Mfg. Co., Inc.)	137
Jumping-Jacks (see Jumping-Jacks Shoes, Inc.)	84		
Just My Size (see Sara Lee Corporation)	126		

Index of Textile Trademarks

	PAGE		PAGE
Lancaster (see Coats Viyella Plc)	24	Liz (see Liz Claiborne, Inc.)	91
Lanier Clothes (see Oxford Industries, Inc.)	111	Liz Claiborne (see Liz Claiborne, Inc.)	91
Lanilon* (see E.I. du Pont de Nemours & Company)	39	Lizsport (see Liz Claiborne, Inc.)	91
Lanvin (see Manhattan Industries, Inc.)	93	Lizwear (see Liz Claiborne, Inc.)	91
Lanvin of Paris (see Genesco Inc.)	61	Loftura (see Eastman Kodak Company)	43
Lanvin Studio (see Genesco Inc.)	61	Lotus (see Lister & Co. p.l.c.)	90
Laredo (see Genesco Inc.)	61	Louis Philippe (see Coats Viyella Plc)	24
Laura Ashley (see West Point-Pepperell, Inc.)	146	Loving Touch (see Belding Heminway Company, Inc.)	11
Laura Clayton (see Angelica Corporation)	6	Ltd. (see Hartmarx Corporation)	69
Laura Pearson U.S.A. (see Signal Apparel Company, Inc.)	129	Ltd. (see Hartmarx Corporation)	69
Lava High (see NIKE, Inc.)	106	Luminaries (see West Point-Pepperell, Inc.)	146
Lavin (see Adams-Millis Corporation)	1	Luvtouch (see Guilford Mills, Inc.)	66
Le Bouton (see Belding Heminway Company, Inc.)	11	Luxor (see West Point-Pepperell, Inc.)	146
Le Chic (see Belding Heminway Company, Inc.)	11	Lycra (see Sara Lee Corporation)	126
Le Petite (see Belding Heminway Company, Inc.)	11	Lycra (see Guilford Mills, Inc.)	66
Le Roi (see Munsingwear, Inc.)	101	Lycra (see Dixie Yarns, Inc.)	35
Lee Mar (see Athlone Industries, Inc.)	7	Lycra (see E.I. du Pont de Nemours & Company)	39
Lees (see Burlington Industries, Inc.)	19	Lycra (see Alba-Waldensian, Inc.)	2
LeeWright Collections* (see Oxford Industries, Inc.)	111	Lyse Spenard (see The Leslie Fay Companies, Inc.)	89
L'eggs (see Sara Lee Corporation)	126	M. L. Synder (see Boss Manufacturing Company)	15
L'eggs Active Support (see Sara Lee Corporation)	126	Macbean (see Ensign Clothing Limited)	46
L'eggs Colors (see Sara Lee Corporation)	126	Made for a Life at Sea (see E&B Marine Inc.)	45
Leishman (see Dylex Limited)	42	Made For Weekends (see Phillips-Van Heusen Corporation)	112
L'erin (see Sara Lee Corporation)	126	Madye's (see R.G. Barry Corporation)	8
Leslie Fay (see The Leslie Fay Companies, Inc.)	89	Magee (see Shaw Industries, Inc.)	128
Leslie Fay Girls (see The Leslie Fay Companies, Inc.)	89	Main Event (see Stage II Apparel Corp.)	134
Leslie Fay Petites (see The Leslie Fay Companies, Inc.)	89	Mainly mohair (see Lister & Co. p.l.c.)	90
Leslie Fay Sportswear (see The Leslie Fay Companies, Inc.)	89	Maison Condelle (see Consoltex Canada Inc.)	26
Levi's (see Humphreys Inc.)	76	Majesta (see West Point-Pepperell, Inc.)	146
Levi's Shoes & Boots* (see Brown Group, Inc.)	18	Majestic (see Salem Carpet Mills, Inc.)	123
L.E.X. (see PPG Industries, Inc.)	113	Major League Baseball (see Garan, Incorporated)	59
Liberty of London* (see West Point-Pepperell, Inc.)	146	Malibu Beach Club (see Oxford Industries, Inc.)	111
Liberty of London (see Manhattan Industries, Inc.)	93	Manhattan* (see Stage II Apparel Corp.)	134
Liberty of London* (see Salant Corporation)	122	Manhattan (see Salant Corporation)	122
Liberty Velle (see Guilford Mills, Inc.)	66	Manhattan* (see Russ Togs, Inc.)	121
Libra (see Lister & Co. p.l.c.)	90	Manhattan (see Manhattan Industries, Inc.)	93
Life Savers (see Mayfair Industries, Inc.)	96	Manhattan International (see Manhattan Industries, Inc.)	93
Life Span (see Alba-Waldensian, Inc.)	2	Manhattan-Ward (see Manhattan Industries, Inc.)	93
Life Stride (see Brown Group, Inc.)	18	Mark of Fifth Avenue (see Sanmark-Stardust Inc.)	125
Lily (see Belding Heminway Company, Inc.)	11	Mark-less Beauty (see Galaxy Carpet Mills, Inc.)	59
Lin* Gitano (see The Gitano Group, Inc.)	63	Marlyle (see Athlone Industries, Inc.)	7
Listalama (see Lister & Co. p.l.c.)	90	Marquesa Lana (see Amoco Corporation)	4
Lister Brushed D.K. (see Lister & Co. p.l.c.)	90	Mars White Knight (see Work Wear Corporation, Inc.)	149
Little Capezio (see Jumping-Jacks Shoes, Inc.)	84	Martex (see West Point-Pepperell, Inc.)	146
Little Dimensions (see Kleinert's, Inc.)	86	Martex (see Grafton Group Limited)	65
Little L'eggs Tights (see Sara Lee Corporation)	126	Martin's Uniforms (see Superior Surgical Mfg. Co., Inc.)	137
Littlefoot (see The Cherokee Group)	23	Marvella (see Crystal Brands, Inc.)	30

Index of Textile Trademarks

	PAGE		PAGE
Mary Ann Restivo (see The Leslie Fay Companies, Inc.)	89	Movie Star (see Sanmark-Stardust Inc.)	125
Mary McFadden* (see Signal Apparel Company, Inc.)	129	Movie Star Loungewear (see Sanmark-Stardust Inc.)	125
Mary Quant (see Dominion Textile, Inc.)	36	Movie Starlet (see Sanmark-Stardust Inc.)	125
Match (see Munsingwear, Inc.)	101	Moxees (see Jumping-Jacks Shoes, Inc.)	84
Matchplay (see Coats Viyella Plc)	24	Ms Chaus (see Bernard Chaus, Inc.)	14
Matte Grande (see Fab Industries, Inc.)	48	Ms Chaus Petite (see Bernard Chaus, Inc.)	14
Mazurka (see Kellwood Company)	84	Ms. Russ (see Russ Togs, Inc.)	121
M.B.W. (see Harvard Knitwear, Inc.)	70	Munsingwear (see Munsingwear, Inc.)	101
McGeorge (see Dawson International plc)	33	Munsingwear Slammers (see Munsingwear, Inc.)	101
McGregor (see Oxford Industries, Inc.)	111	My Favorite Things (see Belding Heminway Company, Inc.)	11
McGregor* (see Stage II Apparel Corp.)	134	Name Droppers (see Kellwood Company)	84
McGregor (see Delta Woodside Industries, Inc.)	34	Nantucket (see Nantucket Industries, Inc.)	102
McGregor for Boys (see Hampton Industries, Inc.)	67	National Football League (see Garan, Incorporated)	59
Melrose (see Kellwood Company)	84	Natur (see Guilford Mills, Inc.)	66
Members Only (see The Marcade Group, Inc.)	95	Natur Plus (see Guilford Mills, Inc.)	66
Members Only* (see Stage II Apparel Corp.)	134	Naturalizer (see Brown Group, Inc.)	18
Memphis Jones (see Oak Hill Sportswear Corporation)	107	The Naturals (see Galaxy Carpet Mills, Inc.)	59
Merona (see Oxford Industries, Inc.)	111	Nautica (see State-O-Maine, Inc.)	135
Merona Sport (see Oxford Industries, Inc.)	111	Nautica Kids*. *Under a licensing agreement (see Orbit Instrument Corporation)	108
Metalon (see Guilford Mills, Inc.)	66	Nelbarden (see CoxMoore plc)	27
Metaphors (see Reebok International Ltd.)	118	Neon (see Oxford Industries, Inc.)	111
Mickey Mouse and Friends*. *Under a licensing agreement (see Brown Group, Inc.)	18	New Attitude (see Russ Togs, Inc.)	121
Microlith (see Manville Corporation)	94	New Editions (see Dylex Limited)	42
Middishade (see Eagle Clothes, Inc.)	43	New Era (see Thomaston Mills, Inc.)	140
Milano (see Crystal Brands, Inc.)	30	New-Tec (see Coats Viyella Plc)	24
Milbrook (see Wickes Companies, Inc.)	147	Nextel (see Hexcel Corporation)	72
Miller Manufacturing (see Work Wear Corporation, Inc.)	149	Nicola Mancini (see Hartmarx Corporation)	69
Millhealth (see Burlington Industries, Inc.)	19	NIKE (see NIKE, Inc.)	106
Milwards (see Coats Viyella Plc)	24	NIKE-Air (see NIKE, Inc.)	106
Mini-Dimensions (see Kleinert's, Inc.)	86	Nino Cerruti (see Hartmarx Corporation)	69
Mirafi (see Dominion Textile, Inc.)	36	Nino Cerruti (see Dylex Limited)	42
Miss McDuff (see Sirco International Corp.)	130	Nintendo* (see Nantucket Industries, Inc.)	102
Mission Valley (see West Point-Pepperell, Inc.)	146	NO EXCUSES (see New Retail Concepts, Inc.)	105
Misty Harbor (see United Merchants and Manufacturers, Inc.)	142	Nolan Miller (see The Leslie Fay Companies, Inc.)	89
Mitre (see Genesco Inc.)	61	Nomelle* (see E.I. du Pont de Nemours & Company)	39
Mobinsul (see Manville Corporation)	94	Nomex (see E.I. du Pont de Nemours & Company)	39
Mohara (see Burlington Industries, Inc.)	19	Nomotta (see Coats Viyella Plc)	24
Mohasco (see Mohasco Corporation)	99	Noralen (see Feltex International Limited)	50
Mohawk (see Mohasco Corporation)	99	Norlantic (see E&B Marine Inc.)	45
Mondo (see Sirco International Corp.)	130	Normandy Isle (see Harvard Knitwear, Inc.)	70
Monet (see Crystal Brands, Inc.)	30	Norset (see Champion Products Inc.)	23
Monticello (see Fieldcrest Cannon Inc.)	52	North Atlantic Trading Co. (see E&B Marine Inc.)	45
Monticello (see Burlington Industries, Inc.)	19	Northfield (see Kellwood Company)	84
Mooreville (see Burlington Industries, Inc.)	19	The Northwestern Knitting Company (see Munsingwear, Inc.)	101
Morimer PVC (see Georgia Bonded Fibers, Inc.)	61	Not Just Another Bra (see Sara Lee Corporation)	126
Motoravia (see Lister & Co. p.l.c.)	90	Not Just Another Panty (see Sara Lee Corporation)	126
		Notice (see Sara Lee Corporation)	126
		Nouvelle (see Hercules Incorporated)	71

Index of Textile Trademarks

	PAGE		PAGE
Nova (see Owens-Corning Fiberglas Corporation)	109	Patlon (see Amoco Corporation)	4
N.P.W. (see Farah, Inc.)	49	Patons (see Coats Viyella Plc)	24
NUKON (see Owens-Corning Fiberglas Corporation)	109	Patrick Kelly* (see The Warnaco Group, Inc.)	145
Nu-Mode (see Dylex Limited)	42	Pedigree (see Thomaston Mills, Inc.)	140
Oak Hill (see Oak Hill Sportswear Corporation)	107	Penelope (see Coats Viyella Plc)	24
Oak Street (see Humphreys Inc.)	76	Penguin (see Munsingwear, Inc.)	101
Oblique (see Munsingwear, Inc.)	101	Penguin Design (see Munsingwear, Inc.)	101
Ocean Pacific (see Bayly Corp.)	9	Penmans (see Dominion Textile, Inc.)	36
OHI (see Oak Hill Sportswear Corporation)	107	Penn (see Belding Heminway Company, Inc.)	11
Olde Kentucky (see Louisville Bedding Company)	92	Pepperell (see West Point-Pepperell, Inc.)	146
Olga (see The Warnaco Group, Inc.)	145	Peregal (see GAF Corporation)	58
Olga's Christina (see The Warnaco Group, Inc.)	145	Performance (see Springs Industries, Inc.)	133
Omnisport (see Feltex International Limited)	50	Permafrost (see Belding Heminway Company, Inc.)	11
O'Neill (see Bayly Corp.)	9	Perma-Ply (see Owens-Corning Fiberglas Corporation)	109
Oneita Power-T (see Instrument Systems Corporation)	78	Perry Ellis* (see Salant Corporation)	122
Onesies (see Gerber Products Company)	62	Perry Ellis (see Manhattan Industries, Inc.)	93
Open Boundaries (see Phillips-Van Heusen Corporation)	112	Perry Ellis (see Genesco Inc.)	61
Optique* (see E.I. du Pont de Nemours & Company)	39	Perry Ellis America* (see Salant Corporation)	122
Orange Blossom (see Rocky Mount Undergarment Co., Inc.)	119	Perry Ellis Portfolio (see Manhattan Industries, Inc.)	93
Orelle* (see E.I. du Pont de Nemours & Company)	39	Perry Ellis Portfolio (see Genesco Inc.)	61
Original Glimmer (see Guilford Mills, Inc.)	66	Peter England (see Coats Viyella Plc)	24
Orlon (see E.I. du Pont de Nemours & Company)	39	Peters & Ashley (see Salant Corporation)	122
Oscar de la Renta* (see Oxford Industries, Inc.)	111	Philadelphia (see Shaw Industries, Inc.)	128
Oscar de la Renta (see Dawson International plc)	33	Phoenix (see Genesco Inc.)	61
OshKosh (see Oshkosh B'Gosh, Inc.)	109	Picknit (see Dylex Limited)	42
OshKosh B'Gosh (see Oshkosh B'Gosh, Inc.)	109	Pierre (see Manhattan Industries, Inc.)	93
Outlander (see The Leslie Fay Companies, Inc.)	89	Pierre Cardin (see Hartmarx Corporation)	69
Oxford Slacks (see Oxford Industries, Inc.)	111	Pierre Balmain (see UCO S.A.)	141
Oxford Shirts (see Oxford Industries, Inc.)	111	Pierre Cardin (see Dylex Limited)	42
Pacific (see Springs Industries, Inc.)	133	Pierre Cardin for Boys* (see Crystal Brands, Inc.)	30
Pacific (see Burlington Industries, Inc.)	19	Pilgrim (see Thomaston Mills, Inc.)	140
Pacific Silvercloth (see Springs Industries, Inc.)	133	Pima Collection (see West Point-Pepperell, Inc.)	146
Page (see Thomaston Mills, Inc.)	140	Pinehurst (see West Point-Pepperell, Inc.)	146
Palm Beach (see Crystal Brands, Inc.)	30	Pinfeather (see Burlington Industries, Inc.)	19
Palmer Peerless (see ProGroup, Inc.)	115	Pin-In (see Kleinert's, Inc.)	86
Palmer Standards (see ProGroup, Inc.)	115	Pinnacle (see Kellwood Company)	84
Pam Undies (see Sanmark-Stardust Inc.)	125	Pinot Noir (see Beeba's Creations, Inc.)	10
Panalure (see Fab Industries, Inc.)	48	Pipeline (see West Point-Pepperell, Inc.)	146
Panavelle (see Fab Industries, Inc.)	48	Plain Pockets (see Bayly Corp.)	9
Pannill (see Pannill Knitting Company, Incorporated)	111	Playboy* (see Stage II Apparel Corp.)	134
Panotex (see Coats Viyella Plc)	24	Players (see Phillips-Van Heusen Corporation)	112
Pa-Quel (see Monsanto Company)	100	PLAYMATE (see Sanmark-Stardust Inc.)	125
Parsons Place (see Kellwood Company)	84	Plush Life (see Guilford Mills, Inc.)	66
Pastelle (see Lister & Co. p.l.c.)	90	PM (see National Service Industries, Inc.)	104
Patina (see Allied-Signal, Inc.)	3	Polo by Ralph Lauren for Boys* (see Crystal Brands, Inc.)	30
		Polo Club* (see Stage II Apparel Corp.)	134
		Polo for Boys* (see Oxford Industries, Inc.)	111
		Polo University Club by Ralph Lauren (see Genesco Inc.)	61
		Poly Bac (see Amoco Corporation)	4

Index of Textile Trademarks

	PAGE		PAGE
Poly Bac II (see Amoco Corporation)	4	Reach (see Fuqua Industries, Inc.)	57
Poly Double Bac (see Amoco Corporation)	4	Red Heart (see Coats Viyella Plc)	24
Poly Needle Bac (see Amoco Corporation)	4	Reebok (see Reebok International Ltd.)	118
Poly One (see Guilford Mills, Inc.)	66	Reebok Sport (see Reebok International Ltd.)	118
Polysuede (see Guilford Mills, Inc.)	66	Reed Handcrafts (see Louisville Bedding Company)	92
Portfolio by Perry Ellis* (see Salant Corporation)	122	Reed St. James* (see Damon Creations, Inc.)	32
Posluns (see Dylex Limited)	42	Reemay (see E.I. du Pont de Nemours & Company)	39
Powerbond (see Wickes Companies, Inc.)	147	Regal (see Brown Group, Inc.)	18
PP Patchogue Plymouth (see Amoco Corporation)	4	Regency (see Guilford Mills, Inc.)	66
Prelude (see UCO S.A.)	141	Reid (see Feltex International Limited)	50
Prepshirt (see Hampton Industries, Inc.)	67	Remember (see Monsanto Company)	100
Pret-A-Porte (see Howard B. Wolf, Inc.)	75	Resolution III (see Guilford Mills, Inc.)	66
Pretty Bali (see Sara Lee Corporation)	126	Reverie Ltd. (see Harvard Knitwear, Inc.)	70
Pringle of Scotland (see Dawson International plc)	33	Reverse Weave (see Champion Products Inc.)	23
Private Edition (see Jay Jacobs, Inc.)	80	Rhythm & Fashion (see Spiegel, Inc.)	132
Pro Tour (see Stage II Apparel Corp.)	134	Richman Woman (see F.W. Woolworth Co.)	47
Pro-Keds (see The Stride Rite Corporation)	135	Richmond (see Lister & Co. p.l.c.)	90
Pro-Keds* (see Fuqua Industries, Inc.)	57	Richmond (see Lister & Co. p.l.c.)	90
Pro-Lite (see Quiksilver, Inc.)	116	Rich-R (see Manville Corporation)	94
Propex (see Amoco Corporation)	4	Ridgeway (see Kellwood Company)	84
Propex III (see Amoco Corporation)	4	Rob Roy (see Garan, Incorporated)	59
Proportion Plus (see Alba-Waldensian, Inc.)	2	Robert Noble (see Dawson International plc)	33
Pro-Portioned to Fit (see Russ Togs, Inc.)	121	Robert Scott Ltd. (see Kellwood Company)	84
ProSelect (see E.I. du Pont de Nemours & Company)	39	Robert Stock* (see Oxford Industries, Inc.)	111
ProWalker (see Reebok International Ltd.)	118	Robert Stock (see Oxford Industries, Inc.)	111
P.S. Gitano (see The Gitano Group, Inc.)	63	Rockport (see Reebok International Ltd.)	118
Punch Line (see Kellwood Company)	84	Rocky Mount (see Rocky Mount Undergarment Co., Inc.)	119
Pure Gold 13 (see Sanmark-Stardust Inc.)	125	Rocola (see Coats Viyella Plc)	24
Puritan (see The Warnaco Group, Inc.)	145	RocSports (see Reebok International Ltd.)	118
Qazul (see Imperial Chemical Industries PLC)	77	Roebuck (see Kellwood Company)	84
Qiana* (see E.I. du Pont de Nemours & Company)	39	Roman Stripe (see Alba-Waldensian, Inc.)	2
Quail Hollow (see Delta Woodside Industries, Inc.)	34	Roomaker (see United Merchants and Manufacturers, Inc.)	142
Quallifil* (see E.I. du Pont de Nemours & Company)	39	Rose Marie Reid (see United Merchants and Manufacturers, Inc.)	142
Quelque Chose (see Munsingwear, Inc.)	101	Royal Ascot (see Coats Viyella Plc)	24
Quickship (see Galaxy Carpet Mills, Inc.)	59	Royal Family (see Fieldcrest Cannon Inc.)	52
Quiksilver (see Quiksilver, Inc.)	116	Rrrribbitt Rrribbit (see Mayfair Industries, Inc.)	96
Quilite (see Manville Corporation)	94	Ruby Ltd. (see Hartmarx Corporation)	69
Quiltcraft (see Louisville Bedding Company)	92	Rufco (see Raven Industries, Inc.)	117
Quintessence (see Munsingwear, Inc.)	101	Russ (see Russ Togs, Inc.)	121
Quote-Me (see Mayfair Industries, Inc.)	96	Russ Girl (see Russ Togs, Inc.)	121
R&K Originals (see United Merchants and Manufacturers, Inc.)	142	Russ Petites (see Russ Togs, Inc.)	121
Racquet Club (see Hartmarx Corporation)	69	Russ Studio (see Russ Togs, Inc.)	121
Radiance (see Springs Industries, Inc.)	133	Russ Teen (see Russ Togs, Inc.)	121
Raeford (see Burlington Industries, Inc.)	19	Russell Athletic (see Russell Corporation)	121
Rally (see Raven Industries, Inc.)	117	Russell National (see Fruit Of The Loom, Inc.)	56
Ralph Lauren* (see West Point-Pepperell, Inc.)	146	Russie (see Russ Togs, Inc.)	121
Rattlers (see Thomaston Mills, Inc.)	140	S. Glass (see Owens-Corning Fiberglas Corporation)	109
Ravelations (see Feltex International Limited)	50	Sag Harbor (see Kellwood Company)	84
Rawlings (see Figgie International Inc.)	53	Salem (see Salem Carpet Mills, Inc.)	123

Index of Textile Trademarks

	PAGE		PAGE
Samson (see Ensign Clothing Limited)	46	Sir-Pel (see Georgia Bonded Fibers, Inc.)	61
Samson International (see Ensign Clothing Limited)	46	Skinner (see Springs Industries, Inc.)	133
Sanford (see Sirco International Corp.)	130	Ski-Slope (see Consoltex Canada Inc.)	26
Sani Terry (see Alba-Waldensian, Inc.)	2	Skivvies (see Champion Products Inc.)	23
Sansabelt (see Hartmarx Corporation)	69	Slazenger* (see Stage II Apparel Corp.)	134
Saska (see Boss Manufacturing Company)	15	Slazenger (see Dunlop (BTR Dunlop Limited))	38
Sasson (see Kellwood Company)	84	Slenderalls (see Sara Lee Corporation)	126
Satin Kiss (see Munsingwear, Inc.)	101	Slipon (see Kleinert's, Inc.)	86
Satinessence (see Munsingwear, Inc.)	101	Sloane Sport (see Jay Jacobs, Inc.)	80
Saturdays (see West Point-Pepperell, Inc.)	146	SLR (see Eastman Kodak Company)	43
Savanne (see Farah, Inc.)	49	Slumber One (see Guilford Mills, Inc.)	66
Saville Row (see CoxMoore plc)	27	Slumber Mate (see Guilford Mills, Inc.)	66
Sayelle* (see E.I. du Pont de Nemours & Company)	39	Slumberwool (see Feltex International Limited)	50
S'Belts (see Humphreys Inc.)	76	Snug Treds (see R.G. Barry Corporation)	8
Schuss (see Consoltex Canada Inc.)	26	Society Brand (see Hartmarx Corporation)	69
Sclipsun (see Coats Viyella Plc)	24	Softex (see Kleinert's, Inc.)	86
Screen Stars (see Fruit Of The Loom, Inc.)	56	Soft'n Vivid (see West Point-Pepperell, Inc.)	146
Screen Stars Best (see Fruit Of The Loom, Inc.)	56	Sof-Touch (see Guilford Mills, Inc.)	66
Sea Fashions of California (see Athlone Industries, Inc.)	7	So-Lara (see Monsanto Company)	100
Sea Isle (see Manhattan Industries, Inc.)	93	Solidogen (see GAF Corporation)	58
Sea Weed of California (see Athlone Industries, Inc.)	7	Solite (see Kleinert's, Inc.)	86
Seam-Less Saxones (see Galaxy Carpet Mills, Inc.)	59	Somebody (see Alba-Waldensian, Inc.)	2
Second Glance (see Munsingwear, Inc.)	101	Something Else (see Sara Lee Corporation)	126
Secret Self (see Munsingwear, Inc.)	101	Son of Lava Dome (see NIKE, Inc.)	106
Seem Free (see Nantucket Industries, Inc.)	102	Sonobatts (see Owens-Corning Fiberglas Corporation)	109
SEF (see Monsanto Company)	100	Sontara (see E.I. du Pont de Nemours & Company)	39
Sensuettes (see Munsingwear, Inc.)	101	Sontique* (see E.I. du Pont de Nemours & Company)	39
Sew 'n Tell (see Guilford Mills, Inc.)	66	SONUS (see Nordisk Fjerfabrik Aktieselskab)	106
Shapes (see Dylex Limited)	42	Soupcon (see Instrument Systems Corporation)	78
Shaw Commercial Carpets (see Shaw Industries, Inc.)	128	Special Edition (see Alba-Waldensian, Inc.)	2
Sheer Elegance (see Sara Lee Corporation)	126	Speedo* (see The Warnaco Group, Inc.)	145
Sheer Elegance Silky Support (see Sara Lee Corporation)	126	S'Penders (see Humphreys Inc.)	76
Sheer Energy (see Sara Lee Corporation)	126	Sperry (see The Stride Rite Corporation)	135
Sheet Beginnings (see Munsingwear, Inc.)	101	Sperry Top-Sider (see The Stride Rite Corporation)	135
Sher-Wood (see Figgie International Inc.)	53	Spintex (see Manville Corporation)	94
Ship'n Shore (see Crystal Brands, Inc.)	30	SPORT (see Aileen, Inc.)	2
Ship'n Shore for Me (see Crystal Brands, Inc.)	30	SporThomson (see Salant Corporation)	122
Shirt Street (see Hampton Industries, Inc.)	67	Spot-Less Collection (see Galaxy Carpet Mills, Inc.)	59
Showtime (see Guilford Mills, Inc.)	66	Springmaid (see Springs Industries, Inc.)	133
Showtoons (see Sara Lee Corporation)	126	Sprint (see National Service Industries, Inc.)	104
Signage (see Savoy Industries, Inc.)	127	SSL (see Owens-Corning Fiberglas Corporation)	109
Signal (see Signal Apparel Company, Inc.)	129	St. Mary's (see Fieldcrest Cannon Inc.)	52
Signature Collection (see Dylex Limited)	42	Stainmaster (see E.I. du Pont de Nemours & Company)	39
Silk Reflections (see Sara Lee Corporation)	126	Stallion (see Boss Manufacturing Company)	15
Silky Touch (see BASF Corporation)	9	Stallion (see Delta Woodside Industries, Inc.)	34
Silspun (see Dixie Yarns, Inc.)	35	Stamp Out Stains (see Wickes Companies, Inc.)	147
Sir Jac (see Kellwood Company)	84	Stardust (see Sanmark-Stardust Inc.)	125
Sir Shirtmakers (see Work Wear Corporation, Inc.)	149	Sta-rite (see Kleinert's, Inc.)	86
Sirena (see Sara Lee Corporation)	126	Starlure (see Guilford Mills, Inc.)	66

Index of Textile Trademarks

	PAGE		PAGE
State-O-Maine (see State-O-Maine, Inc.)	135	Tahiti Five Star (see Lister & Co. p.l.c.)	90
Status (see Guilford Mills, Inc.)	66	Take 1 (see Kellwood Company)	84
Stay Put (see Louisville Bedding Company)	92	Talisman; Hand knitting yarns: Practical (see Lister & Co. p.l.c.)	90
Stephen Douglas Ltd. (see Harvard Knitwear, Inc.)	70	Taper-T (see Champion Products Inc.)	23
Sterling & Hunt (see Hartmarx Corporation)	69	Target Apparel (see Dylex Limited)	42
Stevens Bremner (see Feltex International Limited)	50	Tarpoon (see Burlington Industries, Inc.)	19
Stratton (see Shaw Industries, Inc.)	128	Taslan (see E.I. du Pont de Nemours & Company)	39
Stretch Mates (see Rocky Mount Undergarment Co., Inc.)	119	Tasman Automotive (see Feltex International Limited)	50
Strialine (see BASF Corporation)	9	Tastemaker (see West Point-Pepperell, Inc.)	146
Stride Rite (see The Stride Rite Corporation)	135	Tavern (see Thomaston Mills, Inc.)	140
Struble & Moffitt (see Work Wear Corporation, Inc.)	149	Teddy Bears (see Kleinert's, Inc.)	86
S-2 Glass (see Owens-Corning Fiberglas Corporation)	109	Teflon (see E.I. du Pont de Nemours & Company)	39
Sudden Impact (see Beeba's Creations, Inc.)	10	Tempstran (see Manville Corporation)	94
Summer Sheer (see Sara Lee Corporation)	126	Tender Rest (see Thomaston Mills, Inc.)	140
Summeralls (see Sara Lee Corporation)	126	Terry Bear (see Instrument Systems Corporation)	78
Sun East (see Bayly Corp.)	9	Terry Mate (see Guilford Mills, Inc.)	66
Sundaes (see Jumping-Jacks Shoes, Inc.)	84	Terry Velour (see Guilford Mills, Inc.)	66
Sung Sport (see Dylex Limited)	42	TEXO (see PPG Industries, Inc.)	113
Super Blend Denim (see West Point-Pepperell, Inc.)	146	Textmade (see Dominion Textile, Inc.)	36
Supercalc (see Springs Industries, Inc.)	133	Textra (see West Point-Pepperell, Inc.)	146
Superdown (see Nordisk Fjerfabrik Aktieselskab)	106	Thane (see The Warnaco Group, Inc.)	145
Superlin (see Springs Industries, Inc.)	133	Therma-Quilt (see Guilford Mills, Inc.)	66
Supersheen (see Coats Viyella Plc)	24	Thermax (see E.I. du Pont de Nemours & Company)	39
SuperSports (see Reebok International Ltd.)	118	Thermax (see Dixie Yarns, Inc.)	35
SuperSuede (see Fab Industries, Inc.)	48	Thinsulate (see Sara Lee Corporation)	126
SuperSuede Bonded (see Fab Industries, Inc.)	48	Thinsulate (see Minnesota Mining and Manufacturing Company)	97
SuperSuede II (see Fab Industries, Inc.)	48	Thintech (see Minnesota Mining and Manufacturing Company)	97
SuperSuede-Plus (see Fab Industries, Inc.)	48	Thomson (see Salant Corporation)	122
Supertred (see Feltex International Limited)	50	Thorngate Uniforms (see Hartmarx Corporation)	69
Supreme (see Lister & Co. p.l.c.)	90	Thorobred Yarns (see Feltex International Limited)	50
Supreme Plus (see Owens-Corning Fiberglas Corporation)	109	Thorstrand (see Hexcel Corporation)	72
Suraline (see Burlington Industries, Inc.)	19	Thunder Bay (see Dylex Limited)	42
Sure-Foam II (see Georgia Bonded Fibers, Inc.)	61	Tiffany Uniforms (see Superior Surgical Mfg. Co., Inc.)	137
Suspend-R (see Manville Corporation)	94	Today's Girl (see Sara Lee Corporation)	126
Sussex (see Eagle Clothes, Inc.)	43	Toddy Winks (see Quality Mills, Incorporated)	116
Sutton (see Russ Togs, Inc.)	121	TOI (see Oak Hill Sportswear Corporation)	107
S'Wallets (see Humphreys Inc.)	76	Top Seed (see Stage II Apparel Corp.)	134
Sweatout (see Adams-Millis Corporation)	1	Touch of Tenderness (see Sanmark-Stardust Inc.)	125
Swedish Three Crown (see Alba-Waldensian, Inc.)	2	Trails West (see Raven Industries, Inc.)	117
Sweet Baby Jane (see Munsingwear, Inc.)	101	Trailwise (see Boss Manufacturing Company)	15
Swift (see Dominion Textile, Inc.)	36	Transformer (see Beeba's Creations, Inc.)	10
Swimbodies (see Munsingwear, Inc.)	101	Translucence (see Munsingwear, Inc.)	101
Swing West (see Raven Industries, Inc.)	117	Trans-Pak (see Owens-Corning Fiberglas Corporation)	109
Swoosh (see NIKE, Inc.)	106	Trend (see Quality Mills, Incorporated)	116
Swordfish (see CoxMoore plc)	27	Trend Sport (see Quality Mills, Incorporated)	116
Synera (see Amoco Corporation)	4		
Tactel (see Imperial Chemical Industries PLC)	77		
Tactesse (see Imperial Chemical Industries PLC)	77		

Index of Textile Trademarks

	PAGE		PAGE
Trevira (see Hoechst Celanese Corporation)	74	Van Luit (see Wickes Companies, Inc.)	147
Trevira (see Hoechst Aktiengesellschaft)	73	Van Raalte (see West Point-Pepperell, Inc.)	146
Trevira (see Celanese Canada Inc.)	21	Vantona (see Coats Viyella Plc)	24
Trevira CS (see Hoechst Aktiengesellschaft)	73	Vassarette (see Munsingwear, Inc.)	101
Trevira Finesse (see Hoechst Aktiengesellschaft)	73	Vektron (see Dominion Textile, Inc.)	36
Trevira Linenesque (see Hoechst Celanese Corporation)	74	Vellux (see West Point-Pepperell, Inc.)	146
Trevira Spunbond (see Hoechst Celanese Corporation)	74	Velvelour (see Munsingwear, Inc.)	101
Trident (see Coats Viyella Plc)	24	Venezia D.K. (see Lister & Co. p.l.c.)	90
Trifari (see Crystal Brands, Inc.)	30	Vera (see Salant Corporation)	122
Try 1 (see Oak Hill Sportswear Corporation)	107	Vera (see Manhattan Industries, Inc.)	93
Tultex (see Tultex Corporation)	140	Verasport (see Manhattan Industries, Inc.)	93
Turnbury (see Crystal Brands, Inc.)	30	Verel (see Eastman Kodak Company)	43
Tweens (see Quality Mills, Incorporated)	116	Versa Drape (see Superior Surgical Mfg. Co., Inc.)	137
Two East (see Hampton Industries, Inc.)	67	Vertigo (see Dominion Textile, Inc.)	36
Twosies (see Gerber Products Company)	62	Victoria Jones (see Oak Hill Sportswear Corporation)	107
2-Pyrol (see GAF Corporation)	58	Victoria Jones Petites (see Oak Hill Sportswear Corporation)	107
Tygar (see E.I. du Pont de Nemours & Company)	39	Victoria Jones Woman (see Oak Hill Sportswear Corporation)	107
Tyrolia (see The Leslie Fay Companies, Inc.)	89	Victoria Petites (see Oak Hill Sportswear Corporation)	107
Tyvek (see E.I. du Pont de Nemours & Company)	39	Victoria Sport (see Oak Hill Sportswear Corporation)	107
Tyvek (see E.I. du Pont de Nemours & Company)	39	Victoria Wear (see Oak Hill Sportswear Corporation)	107
Uco (see UCO S.A.)	141	Villager (see United Merchants and Manufacturers, Inc.)	142
Uterior Motives (see Beeba's Creations, Inc.)	10	Viscount (see Lister & Co. p.l.c.)	90
Ultra Sheer (see Sara Lee Corporation)	126	Visible ERS (see Reebok International Ltd.)	118
Ultra Sweats (see Pannill Knitting Company, Incorporated)	111	Vitafibre (see Feltex International Limited)	50
Ultra Touch (see West Point-Pepperell, Inc.)	146	Vitafoam (see Feltex International Limited)	50
Ultra Touch (see BASF Corporation)	9	Vitality (see Feltex International Limited)	50
Ultraloft (see Low & Bonar PLC)	92	Vitastyrene (see Feltex International Limited)	50
Ultramere* (see E.I. du Pont de Nemours & Company)	39	Vivana (see BASF Corporation)	9
Ultranelle (see Guilford Mills, Inc.)	66	Viyella (see Coats Viyella Plc)	24
Ultrasede (see Springs Industries, Inc.)	133	Voyant (see Guilford Mills, Inc.)	66
Ultravelle (see Guilford Mills, Inc.)	66	V-Pyrol (see GAF Corporation)	58
Ultressa (see Burlington Industries, Inc.)	19	Vulkan (see Dominion Textile, Inc.)	36
Ultrilure (see Guilford Mills, Inc.)	66	Wabasso (see Dominion Textile, Inc.)	36
Ultron (see Monsanto Company)	100	Wake Up America! (see Dawson International plc)	33
Underalls (see Sara Lee Corporation)	126	Walloper (see Boss Manufacturing Company)	15
Underneath It All (see Munsingwear, Inc.)	101	Walt Wear Apparel (see Hampton Industries, Inc.)	67
Ungaro* (see The Warnaco Group, Inc.)	145	Walter Morton (see Hartmarx Corporation)	69
Uni-set (see Galaxy Carpet Mills, Inc.)	59	Walter-Morton (see Hartmarx Corporation)	69
United (see Wickes Companies, Inc.)	147	Wamsutta (see Springs Industries, Inc.)	133
Universal Cottons (see Superior Surgical Mfg. Co., Inc.)	137	Warmth Rated (see Guilford Mills, Inc.)	66
Upper Class (see South Sea Textile Manufacturing Company, Limited)	132	Warner's (see The Warnaco Group, Inc.)	145
Utica (see West Point-Pepperell, Inc.)	146	Wear-about (see Sara Lee Corporation)	126
Valentino Intimo* (see The Warnaco Group, Inc.)	145	Wear-Dated (see Monsanto Company)	100
Van Gard (see Guilford Mills, Inc.)	66	Weather Tamer (see Gerber Products Company)	62
Van Heusen Collection (see Phillips-Van Heusen Corporation)	112	WeatheRouge (see Kellwood Company)	84

Index of Textile Trademarks

	PAGE	PAGE
Weather-Rite (see Fuqua Industries, Inc.)	57	
Weathervane (see Hartmarx Corporation)	69	
Webs (see Humphreys Inc.)	76	
Weebok (see Reebok International Ltd.)	118	
Weekender (see Russ Togs, Inc.)	121	
Weekender (see Adams-Millis Corporation)	1	
Wellington Fashions (see Bobbie Brooks, Inc.)	14	
Wenzel (see Kellwood Company)	84	
West Point Pepperell (see West Point-Pepperell, Inc.)	146	
WFF Designer (see Farah, Inc.)	49	
Whipped Cream (see Burlington Industries, Inc.)	19	
White Knight Textiles (see Work Wear Corporation, Inc.)	149	
White Stag (see The Warnaco Group, Inc.)	145	
Whitney Lang (see Oak Hill Sportswear Corporation)	107	
Wild Rose (see Lister & Co. p.l.c.)	90	
William Barry (see Crystal Brands, Inc.)	30	
Wilton Royal (see Coats Viyella Plc)	24	
Windemere; Furnishing velvets: Tudor (see Lister & Co. p.l.c.)	90	
Win-R (see Manville Corporation)	94	
Winston (see Salem Carpet Mills, Inc.)	123	
Winteralls (see Sara Lee Corporation)	126	
Winterweights (see Phillips-Van Heusen Corporation)	112	
Wintuk*. *Certification marks (see E.I. du Pont de Nemours & Company)	39	
Wispasuede (see Fab Industries, Inc.)	48	
Witty Bros (see Eagle Clothes, Inc.)	43	
Wiz-Wipes (see Work Wear Corporation, Inc.)	149	
Wolverine (see Delta Woodside Industries, Inc.)	34	
WonderBra (see Sara Lee Corporation)	126	
Wondercale (see Springs Industries, Inc.)	133	
Work Wear (see Work Wear Corporation, Inc.)	149	
Worklon (see Superior Surgical Mfg. Co., Inc.)	137	
Wrangler (see Adams-Millis Corporation)	1	
Wright (see Oxford Industries, Inc.)	111	
XX Span (see Alba-Waldensian, Inc.)	2	
Yorke (see Hartmarx Corporation)	69	
You & i (see Aileen, Inc.)	2	
Young Canadian (see Dylex Limited)	42	
Yukon TF (see Guilford Mills, Inc.)	66	
Yves Saint Laurent* (see Salant Corporation)	122	
Yves Saint Laurent (see Adams-Millis Corporation)	1	
Zantrel (see BASF Corporation)	9	
Zefran (see BASF Corporation)	9	
Zefsport (see BASF Corporation)	9	
Zeftron (see BASF Corporation)	9	
Zeftron 500 (see BASF Corporation)	9	
Zips (see The Stride Rite Corporation)	135	

Index of Divisions & Subsidiaries

Note: This index includes only the textile and apparel manufacturers and retailers of the publicly-held companies listed in this book.

	PAGE		PAGE
A. Sulka & Company Ltd. (see Syms Corp.)	138	Avia Group International, Inc. (see Reebok International Ltd.)	119
Abbeygate Mills Limited (see CoxMoore plc)	27	B. H. Emporium (see Dylex Limited)	42
Abe Schrader Corporation (see INTERCO Incorporated)	79	The Ballantyne Sportswear Co. Ltd. (see Dawson International plc)	33
Above The Belt, Inc. (see The Marcade Group, Inc.)	95	The Banker's Note, Inc.	7
ACS Industries, Inc.	1	Barbcorp, Inc. (see Owens-Corning Fiberglas Corporation)	110
Adams-Millis Corporation (see Sara Lee Corporation)	126	Barrie Knitwear Ltd. (see Dawson International plc)	33
Adams-Millis Corporation	1	Barry de Mexico (see R.G. Barry Corporation)	8
Adirondack Knitting Mills, Inc. (see Fab Industries, Inc.)	48	BASF Corporation	9
A.E. Charlesworth & Co. Limited (see CoxMoore plc)	27	Bassett-Walker, Inc. (see VF Corporation)	144
Aerostar International, Inc. (see Raven Industries, Inc.)	117	Bates Childrensware, Inc. (see Gerber Products Company)	62
Aileen, Inc.	2	Bayly Corp.	9
Alba-Waldensian, Inc.	2	Becton, Dickinson and Company	9
Albert Hartley Limited (see Coats Viyella Plc)	24	Beeba's Creations, Inc.	10
Albert Nipon, Inc. (see The Leslie Fay Companies, Inc.)	89	Beige and Company (see The Leslie Fay Companies, Inc.)	89
Allied-Signal, Inc.	3	Belding Heminway Company, Inc.	11
American & Efird, Inc. (see Ruddick Corporation)	120	Beldray Limited (see KRUG International Corp.)	87
American Borate Corporation (see Owens-Corning Fiberglas Corporation)	110	Bell Woven Label Company Limited (see CoxMoore plc)	27
American Photographic Group (see Eastman Kodak Company)	44	Bemis Company, Inc.	12
American Recreation Products, Inc. (see Kellwood Company)	85	Bene Knitwear, Inc. (see Harvard Knitwear, Inc.)	70
Amoco Corporation	4	Benmor Clothing Manufacturers (Pty.) Ltd. (see Ensign Clothing Limited)	46
Anchor Apparel, Inc. (see Andover Togs, Inc.)	5	Bentley Sales (see R.G. Barry Corporation)	8
Andover Togs, Inc.	5	Berkshire Hathaway Inc.	13
Andrea Gayle (see The Leslie Fay Companies, Inc.)	89	Bernard Chaus, Inc.	14
Andrew Harvey Ltd. (see Kellwood Company)	85	Big Steel Man (see Dylex Limited)	42
Angelica Corporation	6	Bigelow-Sanford, Inc. (see Fieldcrest Cannon Inc.)	52
Anne Klein for New Aspects (see Manhattan Industries, Inc.)	94	The Biltwell Company, Inc. (see Hartmarx Corporation)	70
Appel Uniforms (see Superior Surgical Mfg. Co., Inc.)	137	Bi-Way Stores Limited (see Dylex Limited)	42
Arnold Palmer Golf Company (see ProGroup, Inc.)	115	Blackwood Brothers Ltd. (see Dawson International plc)	33
A.S. Burg Company (see Fab Industries, Inc.)	48	Block Sportswear (see National Service Industries, Inc.)	104
Asahi Fiber Glass Company, Ltd. (28% interest) (see Owens-Corning Fiberglas Corporation)	110	Bobbie Brooks, Inc.	14
Associated Products Inc. (see Dawson International plc)	33	Booth Bay, Ltd. (see The Marcade Group, Inc.)	95
Atex, Inc. (see Eastman Kodak Company)	44	Boss Manufacturing Company	15
Athlone Industries, Inc.	7	Braemar (see Dylex Limited)	42
Athol American Shirt Company (Pty.) Ltd. (see Ensign Clothing Limited)	46	Braemar Knitwear Ltd. (see Dawson International plc)	33
		Briar, Inc. (see Hartmarx Corporation)	69
		Bridon plc	16
		British Replin Ltd. (see Dawson International plc)	33

Index of Divisions & Subsidiaries

PAGE	PAGE
The British Van Heusen Company Limited (see Coats Viyella Plc)	24
Broadhead & Graves (see Illingworth, Morris PLC)	77
Brookwood Companies Incorporated	17
Brown Group, Inc.	18
Brundidge Shirt Corp. (see Fruit Of The Loom, Inc.)	56
Builders Emporium (see Wickes Companies, Inc.)	147
Burke Mills, Inc.	19
Burlington Industries, Inc.	19
Buster Brown Apparel, Inc. (see Gerber Products Company)	62
The B.V.D. Licensing Corporation (see Fruit Of The Loom, Inc.)	56
C. Victor Limited (see CoxMoore plc)	27
CAE Fiberglass Ltd. (25% interest) (see Owens-Corning Fiberglas Corporation)	110
Cal-Pen Textiles, Inc. (see Brookwood Companies Incorporated)	17
Cam Mills, North Dursley, Gloucestershire (see Illingworth, Morris PLC)	77
Camp Hosiery Company, Inc. (see Fruit Of The Loom, Inc.)	56
Cannon Mills International, Ltd. (see Fieldcrest Cannon Inc.)	52
Cape Cod-Cricket Lane, Inc. (see Kellwood Company)	85
Carisbrook Industries Inc. (Fabric) (see Hanson Plc)	67
Carisbrook Industries Inc. (Yarn) (see Hanson Plc)	67
Carolina Mills, Inc.	21
Carrington Viyella Garments Limited (see Coats Viyella Plc)	24
Carwood Manufacturing Company (see Delta Woodside Industries, Inc.)	34
Cashmere Cashmere Inc. (see Dawson International plc)	33
Celanese Canada Inc.	21
Celanese Canada Inc. (56%-owned) (see Hoechst Celanese Corporation)	74
Celanese Mexicana S.A.	22
Celanese Mexicana, S.A. (40%-owned) (see Hoechst Celanese Corporation)	74
Celanese S.A. (see Hoechst Celanese Corporation)	74
Central Hardware Company (see INTERCO Incorporated)	79
C.F. Hathaway Company (see The Warnaco Group, Inc.)	145
Champion Products Inc.	23
Charm Step Shoe Company (see Genesco Inc.)	61
Chemland Industries, Inc. (see Lakeland Industries, Inc.)	88
The Cherokee Group	23
Chutes Corporation (80%-owned) (see The Cherokee Group)	24
Clark-Schwebel Fiber Glass Corporation (see Springs Industries, Inc.)	134
Claxton Manufacturing Company Inc. (see Sanmark-Stardust Inc.)	125
Club International, Inc. (see Dylex Limited)	42
Coats & Clark, Inc. (including Dynacast USA) (see Coats Viyella Plc)	25
Coats Viyella Plc	24
Cole Haan Holdings, Inc. (see NIKE, Inc.)	106
Collegiate-Pacific Company (see Littlefield, Adams & Company)	90
Collins & Aikman Corporation (see Wickes Companies, Inc.)	147
Colortron Carpets (see Feltex International Limited)	51
Commonwealth Garments Co. Ltd. (see Nanyang Cotton Mill, Ltd.)	103
Concord Fabrics Inc.	25
Consoltex Canada Inc. (see Coats Viyella Plc)	25
Consoltex Canada Inc.	26
Converse Inc. (see INTERCO Incorporated)	80
Convertidora Textil, S.A. de C.V. (50%-owned) (see Celanese Mexicana S.A.)	22
Cosalt plc	27
Country Casuals Limited (see Coats Viyella Plc)	24
Country Miss, Inc. (92% owned) (see Hartmarx Corporation)	69
Cox Moore Holdings Limited (see CoxMoore plc)	28
CoxMoore plc	27
Crocodile Garments Limited	28
Crown Crafts, Inc.	28
CrownAmerica, Inc.	29
Crystal Brands, Inc.	30
C.S. Brooks Corporation (see Dominion Textile, Inc.)	37
Culp, Inc.	31
CV Home Furnishings Limited (see Coats Viyella Plc)	24
CV Woven Fabrics Limited (see Coats Viyella Plc)	24
CWC Industries Inc.	31
Cy Beer Apparel Corp. (see Russ Togs, Inc.)	121
Cyclotomics, Inc. (see Eastman Kodak Company)	44
D. Byford & Company Limited (see Coats Viyella Plc)	24
Damon Creations, Inc.	32
Daniel Illingworth & Sons (see Illingworth, Morris PLC)	76
Dansk-Svensk Glasfiber A/S (Denmark) (see Owens-Corning Fiberglas Corporation)	110
D'Armigene (see Superior Surgical Mfg. Co., Inc.)	137
Dash Industries, Inc.	33

Index of Divisions & Subsidiaries

	PAGE		PAGE
David and Dash International, Inc. (see Dash Industries, Inc.)	33	Eric Company (see Owens-Corning Fiberglas Corporation)	110
David Brooks Ltd., Inc. (see Kellwood Company)	85	Erwin Mills Inc. (see Dominion Textile, Inc.)	37
Dawson International plc	33	Esmond Textiles, Inc. (see Dominion Textile, Inc.)	37
D.D. Sloane, Inc. (see Jay Jacobs, Inc.)	80	Europe Craft Imports Inc. (see The Marcade Group, Inc.)	95
Dearfoams Brands Sales (see R.G. Barry Corporation)	8	European Owens-Corning Fiberglas (Belgium) (see Owens-Corning Fiberglas Corporation)	110
Delaware Valley Wool Scouring Co. (see Fieldcrest Cannon Inc.)	52	Ewart Liddell Limited (see Coats Viyella Plc)	25
Delta Woodside Industries, Inc.	34	EZ Sportswear (see Kellwood Company)	85
Denton Mills, Inc. (see Salant Corporation)	122	F. Miller (Textiles) Limited (see Coats Viyella Plc)	25
Deutsche Owens-Corning Glasswool GmbH (Germany) (see Owens-Corning Fiberglas Corporation)	110	Fab Industries, Inc.	48
Devon Apparel, Inc. (see INTERCO Incorporated)	79	Fairfield-Noble Corporation	48
Dewan Textile Mills Limited	35	Fairweather/Daniel Hechter (see Dylex Limited)	42
DHJ Industries Deutschland GmbH (see Dominion Textile, Inc.)	37	Farah, Inc.	49
DHJ Industries (U.K.) Ltd. (see Dominion Textile, Inc.)	37	Fashionaire Apparel, Inc. (see Hartmarx Corporation)	69
Diamensfield Ltd. (40% interest) (see Nanyang Cotton Mill, Ltd.)	103	Fashions Seal Uniforms (see Superior Surgical Mfg. Co., Inc.)	137
Diana Cowpe Limited (see Coats Viyella Plc)	24	Fateh Textile Mills Limited	50
Diconix, Inc. (see Eastman Kodak Company)	44	The Fechheimer Brothers Company (see Berkshire Hathaway Inc.)	13
Dim S.A. (see Sara Lee Corporation)	126	Feltex International Limited	50
Dixie Yarns, Inc.	35	Fiberglas Canada Inc. (49.4% interest) (see Owens-Corning Fiberglas Corporation)	110
Dominion Textile, Inc.	36	Fiberglas Fibras Limitada (Brazil) (see Owens-Corning Fiberglas Corporation)	110
Doug Wilson Studios, Inc.	38	Fibrelok Industries (see Feltex International Limited)	51
Drug World (see Dylex Limited)	42	Fieldcrest Cannon Inc.	52
Dunlop (BTR Dunlop Limited)	38	Figgie (G.B.) Ltd. (see Figgie International Inc.)	54
Duofold Inc. (see Dawson International plc)	33	Figgie International Inc.	53
DWG Corporation	41	FILSYN Corporation	55
Dylex Limited	42	Fine's Men's Shops, Incorporated (see INTERCO Incorporated)	79
E&B Marine Inc.	45	Fireland Industries, Inc. (see Lakeland Industries, Inc.)	88
Eagle Clothes, Inc.	43	The First Republic Corporation of America	55
Eastman Kodak Company	43	Firth & Wilson (Scarborough) Limited (see Cox Moore plc)	27
Ectona Fibres Limited (see Eastman Kodak Company)	44	Fisher Controls International, Inc. (see Monsanto Company)	100
Eddie Bauer, Inc. (see Spiegel, Inc.)	133	The Florsheim Shoe Company (see INTERCO Incorporated)	79
Eden Yarns, Inc. (see Pannill Knitting Company, Incorporated)	111	Form-O-Uth, Inc. (see Munsingwear, Inc.)	102
E.I. du Pont de Nemours & Company	39	Fox Photo, Inc. (see Eastman Kodak Company)	44
Eikonix Corporation (see Eastman Kodak Company)	44	Foxmoor Specialty Stores Corporation (see Dylex Limited)	42
Ektron Applied Imaging, Inc. (see Eastman Kodak Company)	44	Franklin and Templon (see Hanson Plc)	67
Elastex, Inc. (see Texfi Industries, Inc.)	139	Fred Perry Sportswear Ltd. (see Figgie International Inc.)	54
Elders IXL Limited	45		
Ellesse U.S.A., Inc. (see Reebok International Ltd.)	119		
Encee, Inc. (see Fieldcrest Cannon Inc.)	52		
Ensign Clothing Limited	46		
Ephraim Wood & Co. (see Illingworth, Morris PLC)	77		

Index of Divisions & Subsidiaries

	PAGE		PAGE
Fred Perry Sportswear (U.K.) Ltd. (see Figgie International Inc.)	53	Harmal Industries (see Oak Hill Sportswear Corporation)	108
Fruit Of The Loom, Inc.	56	Harold Ingram (see CoxMoore plc)	27
Fruit of the Loom International Ltd. (see Fruit Of The Loom, Inc.)	56	Harry Rosen Inc. (51% owned) (see Dylex Limited)	42
Fuqua Industries, Inc.	57	Hart Schaffner & Marx Clothes (see Hartmarx Corporation)	69
F.W. Woolworth Co.	47	Hartmarx Corporation	69
F.X. LaSalle Company (see Brown Group, Inc.)	18	Harvard Knitwear, Inc.	70
G and O Mfg. Co. (see Kellwood Company)	85	The Hawick Hosiery Company Limited (see Illingworth, Morris PLC)	77
GAF Corporation	58	Head Sportswear (see The Leslie Fay Companies, Inc.)	89
Galaxy Carpet Mills, Inc.	59	The Heminway & Bartlett Manufacturing Company (see Belding Heminway Company, Inc.)	11
Garan, Incorporated	100	Henry Grethel Apparel (see Hartmarx Corporation)	69
G.D. Searle & Co. (see Monsanto Company)	48	Henry Grethel for Men (see Manhattan Industries, Inc.)	94
Gem Urethane Corp. (see Fab Industries, Inc.)	60	Henry Grethel for Women (see Manhattan Industries, Inc.)	94
Gemco National, Inc.	49	Hercules Incorporated	71
Generra Sportswear Company, Inc. (see Farah, Inc.)	61	Hexcel Corporation	72
Genesco Factory To You Shoes (see Genesco Inc.)	61	Hickey-Freeman Co., Inc. (see Hartmarx Corporation)	69
Genesco Inc.	77	Highland International, Inc. (see Lakeland Industries, Inc.)	88
George Mallison & Sons (see Illingworth, Morris PLC)	61	Highland Yarn Mills, Inc. (see Texfi Industries, Inc.)	139
Georgia Bonded Fibers, Inc.	62	Hi-Tech Composites, Inc. (see Hexcel Corporation)	72
Gerber Products Company	144	Hodgkinson & Gillibrand Limited (see CoxMoore plc)	27
Girbaud (see VF Corporation)	63	Hoechst Aktiengesellschaft	73
The Gitano Group, Inc.	110	Hoechst Celanese Corporation	74
Glasfiber AB (Sweden) (see Owens-Corning Fiberglas Corporation)	69	Honeybee, Inc. (see Spiegel, Inc.)	133
Gleneagles, Inc. (see Hartmarx Corporation)	33	Howard B. Wolf, Inc.	75
Glenmac Knitwear (Hawick) Ltd. (see Dawson International plc)	76	Howard Cotton Company (see Dominion Textile, Inc.)	37
Globe Worsted Company (see Illingworth, Morris PLC)	45	Hoyle-Butterworth Limited (see CoxMoore plc)	27
Goldbergs' Marine, Inc. (see E&B Marine Inc.)	79	Huddersfield Fine Worsteds (see Illingworth, Morris PLC)	76
Golde's Department Stores, Inc. (see INTERCO Incorporated)	134	Humphreys Inc.	76
Grabber Industries, Inc. (see Springs Industries, Inc.)	65	Hutch Sporting Goods, Inc. (see Fuqua Industries, Inc.)	57
Grafton Group Limited	69	I.C.T. (Integrated Converting Technologies) (see Bemis Company, Inc.)	12
Graham & Gunn Ltd. (see Hartmarx Corporation)	41	Illingworth, Morris PLC	76
Graniteville Company (see DWG Corporation)	76	Imperial Chemical Industries PLC	77
Greenside Woolcombing Company (see Illingworth, Morris PLC)	61	Instrument Systems Corporation	78
The Greif Companies (see Genesco Inc.)	66	INTERCO Incorporated	79
Guilford Mills, Inc.	69	Intercontinental Branded Apparel, Inc. (see Hartmarx Corporation)	69
H. Oritsky (see Hartmarx Corporation)	27	Irving Posluns' Outerwear (see Dylex Limited)	42
Hall & Earl Fabrics Limited (see CoxMoore plc)	67		
Hampso Apparel, Inc. (see Hampton Industries, Inc.)	67		
Hamptex, Inc. (see Hampton Industries, Inc.)	67		
Hampton Industries, Inc.	56		
Hanora Spinning, Inc. (see The First Republic Corporation of America)	67		
Hanson Plc	61		
Hardy Shoe Stores (see Genesco Inc.)			

Index of Divisions & Subsidiaries

	PAGE		PAGE
Isaac Holden (Synthetics) Company (see Illingworth, Morris PLC)	76	Kent, Inc. (see Gerber Products Company)	62
Island Dyeing & Printing Co. Ltd. (30% interest) (see Nanyang Cotton Mill, Ltd.)	103	Kenyon Industries, Inc. (see Brookwood Companies Incorporated)	17
J. & D. McGeorge Ltd. (see Dawson International plc)	33	Kinney Shoe Corporation (see F.W. Woolworth Co.)	47
J. & J. Crombie Limited (see Illingworth, Morris PLC)	77	Kinston Die Cutting Corp. (see Hampton Industries, Inc.)	67
J. & P. Coats (Canada) Inc. (see Coats Viyella Plc)	25	Kinston Shirt Company (see Hampton Industries, Inc.)	67
J. & P. Coats (U.K.) Limited (see Coats Viyella Plc)	25	Kleinert's, Inc.	86
J. Compton, Sons & Webb Limited (see Coats Viyella Plc)	24	Klopman International Limited (see Dominion Textile, Inc.)	37
Jack Winter Apparel, Inc. (see Winjak, Inc.)	148	Knytex, Inc. (see Hexcel Corporation)	72
Jaeger Holdings Limited (see Coats Viyella Plc)	24	KRUG International Corp.	87
James Sykes & Son (see Illingworth, Morris PLC)	77	Kuppenheimer Men's Clothiers (see Hartmarx Corporation)	69
JanSport (see VF Corporation)	144	The Lady Manhattan Company (see Manhattan Industries, Inc.)	94
Jantzen (see VF Corporation)	144	Lai Sun Garment Company, Limited	88
Jarman/Flagg (see Genesco Inc.)	61	Laidlaw & Fairgrieve Ltd. (see Dawson International plc)	33
Jay Jacobs, Inc.	80	Lakeland Industries, Inc.	88
Jaymar-Ruby, Inc. (see Hartmarx Corporation)	69	Lamar Uniforms (see Superior Surgical Mfg. Co., Inc.)	137
J.E. Morgan Knitting Mills Inc. (see Dawson International plc)	33	Lamatronics Industries, Inc. (see Fab Industries, Inc.)	48
Jetronic Industries, Inc.	81	Lansing Company, Inc. (see Belding Heminway Company, Inc.)	11
J.H. Birtwistle & Company Limited (see John Lewis plc)	82	Laredo/Code West Boots (see Genesco Inc.)	61
John Henry for Men (see Manhattan Industries, Inc.)	94	Learoyd Brothers & Co. (see Illingworth, Morris PLC)	77
John Henry for Women (see Manhattan Industries, Inc.)	94	Lee Apparel Company, Inc. (see VF Corporation)	144
John Lewis plc	82	The Leslie Fay Companies, Inc.	89
Johnny Carson Apparel, Inc. (see Hartmarx Corporation)	69	Lister & Co. p.l.c.	90
Johnston & Murphy Shoe Company (see Genesco Inc.)	61	Littlefield, Adams & Company	90
Johnston Industries, Inc.	82	Liz Claiborne, Inc.	91
Joseph Dawson Ltd. (see Dawson International plc)	33	Lodgemore Mills, Stroud, Gloucestershire (see Illingworth, Morris PLC)	77
Joseph M. Herman Shoe Company, Inc. (see The Stride Rite Corporation)	136	Longfords Mill, Minchinhampton, Gloucestershire (see Illingworth, Morris PLC)	77
Josiah France (see Illingworth, Morris PLC)	77	Louisville Bedding Company	92
Jostens, Inc.	83	Low & Bonar PLC	92
Journeys (see Genesco Inc.)	61	M. Lowenstein Corporation (see Springs Industries, Inc.)	134
J.P. Stevens & Co., Inc. (see West Point-Pepperell, Inc.)	146	Macbean African Oilskins (Pty.) Ltd. (see Ensign Clothing Limited)	46
Jumping-Jacks Shoes, Inc.	84	Main Line Fashions, Inc. (see Bobbie Brooks, Inc.)	14
Junitex Garments Limited (see CoxMoore plc)	27	Manchester Clothing (see Dylex Limited)	42
Kamunting Garments Sdn. Bhd. (see Nanyang Cotton Mill, Ltd.)	103	Manhattan Industries, Inc. (see Salant Corporation)	122
Kayser-Roth Corporation (see Liz Claiborne, Inc.)	91	Manhattan Industries, Inc.	93
The Keds Corporation (see The Stride Rite Corporation)	136	Mansfield Knitwear Limited (see Coats Viyella Plc)	24
Kellwood Company	84	Manville Corporation	94
Kemira Oy	85	The Marcade Group, Inc.	95

Index of Divisions & Subsidiaries

	PAGE		PAGE
Marietta Manufacturing (see Oak Hill Sportswear Corporation)	108	Non-Stop Fashions (see The Leslie Fay Companies, Inc.)	89
Marion Fabrics, Inc. (see Texfi Industries, Inc.)	139	Nordisk Fjerfabrik Aktieselskab	106
Mark Trouser, Inc. (see Sanmark-Stardust Inc.)	125	Norsk Glassfiber A/S (Norway) (see Owens-Corning Fiberglas Corporation)	110
Marlene Industries Corporation (see The Marcade Group, Inc.)	95	NS Petites (see The Leslie Fay Companies, Inc.)	89
Martin Sons & Company (see Illingworth, Morris PLC)	77	Nu-Mode Dress (75% interest) (see Dylex Limited)	42
Martins Uniforms (see Superior Surgical Mfg. Co., Inc.)	137	Nutmeg Industries, Inc.	107
Mary Ann Restivo, Inc. (see The Leslie Fay Companies, Inc.)	89	The NutraSweet Company (see Monsanto Company)	100
Matcorp, Inc. (see Owens-Corning Fiberglas Corporation)	110	N.V. Owens-Corning S.A. (Belgium) (see Owens-Corning Fiberglas Corporation)	110
Mayfair Industries, Inc.	96	Oak Hill Sportswear Corporation	107
MBW Industries, Inc. (see Harvard Knitwear, Inc.)	70	Obion Company (see Salant Corporation)	122
McRae Industries, Inc.	97	Oneita Industries (see Instrument Systems Corporation)	78
Megastar Apparel Group (see INTERCO Incorporated)	79	Opp and Micolis Mills, Inc. (see Johnston Industries, Inc.)	82
Minnesota Mining and Manufacturing Company	97	Orbit Instrument Corporation	108
Mirafi Inc. (see Dominion Textile, Inc.)	37	Orchard Supply Hardware (see Wickes Companies, Inc.)	147
Mitre Sports (see Genesco Inc.)	61	Oriental Trading Corporation (see Suave Shoe Corporation)	136
Modern Globe, Inc. (see VF Corporation)	144	Oshkosh B'Gosh, Inc.	109
Mohammad Farooq Textile Mills Ltd.	99	Outland, Ltd. (see The Leslie Fay Companies, Inc.)	89
Mohasco Corporation	99	Owens-Corning Fiberglas Corporation	109
Mohican Mills, Inc. (see Fab Industries, Inc.)	48	Oxford Industries, Inc.	111
Monsanto Company	100	Pacstar Corporation (see Brookwood Companies incorporated)	17
Moonlite (Pak) Limited	101	Pallmark International (see The Cherokee Group)	24
Morgan Shirt Corporation (see Manhattan Industries, Inc.)	94	Palm Beach Incorporated (see Crystal Brands, Inc.)	30
Movie Star, Inc. (see Sanmark-Stardust Inc.)	125	Pannill Knitting Company, Incorporated (see Sara Lee Corporation)	126
Munsingwear, Inc.	101	Pannill Knitting Company, Incorporated	111
Nantucket Industries, Inc.	102	Parsons Place Apparel Company Ltd. (see Kellwood Company)	85
Nanyang Cotton Mill, Ltd.	103	Pasolds Limited (see Coats Viyella Plc)	25
National Knitting Mills Company (see Dylex Limited)	42	Pat Fashions Industries, Inc. (see Pope, Evans and Robbins Incorporated)	113
National Service Industries, Inc.	104	Patons & Baldwins Canada Inc. (see Coats Viyella Plc)	25
Native Textiles (see Hanson Plc)	67	Patons & Baldwins Limited (see Coats Viyella Plc)	24
NBO Stores, Inc. (see Dylex Limited)	42	Pattons & Bardwins Canada Inc. (see Coats Viyella Plc)	25
Nebraska Furniture Mart (90% owned) (see Berkshire Hathaway Inc.)	13	Paulman International Apparel Ltd. (75% owned) (see Dylex Limited)	42
Needle Industries Group Limited (see Coats Viyella Plc)	24	Peninsular Yarn & Fabric Merchandising Ltd. (see Nanyang Cotton Mill, Ltd.)	103
Nelson/Weather-Rite, Inc. (see Fuqua Industries, Inc.)	57	Pentapco, Inc. (see Belding Heminway Company, Inc.)	11
New Attitude (see Russ Togs, Inc.)	121	Perry Manufacturing Company (see The Marcade Group, Inc.)	95
The New Harding Group Inc.	104		
New Retail Concepts, Inc.	105		
New Zealand Wool Spinners Limited (see Feltex International Limited)	51		
NIKE, Inc.	106		

Index of Divisions & Subsidiaries

	PAGE		PAGE
Petersburg Manufacturing Corp. (see Sanmark-Stardust Inc.)	125	Ross Matthews Corporation (see Jetronic Industries, Inc.)	81
Phillips-Van Heusen Corporation	112	Ruddick Corporation	120
Pilot Research Corporation (see Alba-Waldensian, Inc.)	3	Russ Togs, Inc.	121
Plastyne (see Bridon plc)	16	Russell Corporation	121
PM Company of New York (see National Service Industries, Inc.)	104	Ryland Mfg., Inc. (see Lakeland Industries, Inc.)	88
Polyplaster, S.A. (31.7% interest) (see Owens-Corning Fiberglas Corporation)	110	S. Schneiders & Son Limited (see Illingworth, Morris PLC)	77
Pope, Evans and Robbins Incorporated	113	Safeguard Industrial Corporation (see Figgie International Inc.)	54
PPG Industries, Inc.	113	Safety Engineering & Supply Co. (see Figgie International Inc.)	54
Prepsheet, Inc. (see Hampton Industries, Inc.)	67	Salant Corporation	122
Priest (Lindley) Limited (see Coats Viyella Plc)	24	Salem Carpet Mills, Inc.	123
Pringle of Scotland Ltd. (see Dawson International plc)	33	Salisbury Manufacturing Corporation (see Fab Industries, Inc.)	48
Priority Finishing Corporation (81%-owned) (see The Cherokee Group)	24	Sampaguita Garment Corporation (40% interest) (see Nanyang Cotton Mill, Ltd.)	103
ProGroup, Inc.	115	Sams Manufacturing Corp. (see Hampton Industries, Inc.)	67
Protective Equipment Supply Co., Inc. (see Figgie International Inc.)	53	Samsons, Inc. (see Hampton Industries, Inc.)	67
P.W. Hall (Africa) Pty. Ltd. (see Ensign Clothing Limited)	46	The Samsung Group	124
Quaker Fabric Corporation	115	Samuel Salter & Co. (see Illingworth, Morris PLC)	77
Quality Mills, Inc. (see Russell Corporation)	122	San Remo Knitting Mills Inc. (75% owned) (see Dylex Limited)	42
Quality Mills, Incorporated	116	Sanmark-Stardust Inc.	125
Quantum Carpet Systems Limited (see Feltex International Limited)	51	Sara Lee Corporation	126
Quiksilver, Inc.	116	Sasson (see The Leslie Fay Companies, Inc.)	89
Quimica Hoechst de Mexico S.A. (see Hoechst Aktiengesellschaft)	73	Savoy Industries, Inc.	127
Radco Sportswear, Inc. (see Farah, Inc.)	49	Scandinavian Glasfiber AB (Sweden) (see Owens-Corning Fiberglas Corporation)	110
Raven Industries, Inc.	117	Scanglas, Ltd. (England) (see Owens-Corning Fiberglas Corporation)	110
Rawlings Sporting Goods (see Figgie International Inc.)	53	The Scott & Fetzer Company (see Berkshire Hathaway Inc.)	13
Raymark Industries, Inc. (see Raytech Corporation)	118	See's Candy Shops, Inc. (see Berkshire Hathaway Inc.)	13
Raytech Corporation	118	Senack Shoes, Inc. (see INTERCO Incorporated)	79
Red Kap (see VF Corporation)	144	Seneca Foods Corporation	128
Reebok International Ltd.	118	SENFA S.A. (see Dominion Textile, Inc.)	37
Reed Handcrafts (see Louisville Bedding Company)	92	Shane Knit Ltd. (50% owned) (see Dylex Limited)	42
Regina Fiberglass Ltd. (England) (see Owens-Corning Fiberglas Corporation)	110	Shane Uniforms (see Superior Surgical Mfg. Co., Inc.)	137
R.G. Barry Corporation	8	Shaw Industries, Inc.	128
R.G. Neill & Son (see Illingworth, Morris PLC)	77	Sherwood-Drolet Corp., Ltd. (see Figgie International Inc.)	53
Richard Stump Limited (see CoxMoore plc)	27	Ship's Shore, Inc. (see Crystal Brands, Inc.)	30
The Richman Brothers Company (see F.W. Woolworth Co.)	47	Shirtmate Apparel Group Ltd. (see Munsingwear, Inc.)	102
Robert Noble Ltd. (see Dawson International plc)	33	SIDER (27.5% interest) (see CoxMoore plc)	27
Robert Scott Ltd., Inc. (see Kelwood Company)	85	Signal Apparel Company, Inc.	129
Rocky Mount Undergarment Co., Inc.	119	Sirco International Corp.	130
Roscorp, Inc. (see Owens-Corning Fiberglas Corporation)	110		

Index of Divisions & Subsidiaries

	PAGE		PAGE
Sirdar PLC	130	Texfi Blends (see Texfi Industries, Inc.)	139
Sky City Stores, Inc. (see INTERCO Incorporated)	79	Texfi Industries, Inc.	139
SLD/Barbour Campbell (see Hanson Plc)	68	Texture-Tex (Europe) B.V. (see CrownAmerica, Inc.)	29
Slumberwool (see Feltex International Limited)	51	Thomas Burnley & Sons Limited (see Coats Viyella Plc)	24
Smart Shirts Limited (see Kellwood Company)	85	Thomaston Mills, Inc.	140
Smith & Nephew Associates Companies plc	131	Thomson Company (see Salant Corporation)	122
Snow Hill Apparel Co., Inc. (see Hampton Industries, Inc.)	67	Thorngate Uniforms, Inc. (see Hartmarx Corporation)	69
Society Brand Ltd. (see Hartmarx Corporation)	69	Thorobred Yarns (see Feltex International Limited)	51
South Sea Textile Manufacturing Company, Limited	132	Thrifty Riding & Sport Shop Limited (see Dylex Limited)	42
South Western Marine Factors Limited (see KRUG International Corp.)	87	Tip Top Tailors (see Dylex Limited)	42
Southampton Textile Company, Inc. (see Belding Heminway Company, Inc.)	11	Toby Industries Limited (see Grafton Group Limited)	65
Southern Phenix Textiles, Inc. (see Johnston Industries, Inc.)	82	Todd & Duncan Ltd. (see Dawson International plc)	33
Southern Textile Co. Ltd. (45% interest) (see Nanyang Cotton Mill, Ltd.)	103	Town & Country/Petites (50% owned) (see Dylex Limited)	42
Sperry Top-Sider Inc. (see The Stride Rite Corporation)	136	Travis Knits, Inc. (see Fab Industries, Inc.)	48
Spiegel, Inc.	132	Trifari, Krussman and Fishel, Inc. (see Crystal Brands, Inc.)	30
Springs Industries, Inc.	133	Triland Mfg. Co., Inc. (see Lakeland Industries, Inc.)	88
St. Mary's, Inc. (see Fieldcrest Cannon Inc.)	52	Tultex Corporation	140
Stage II Apparel Corp.	134	UCO S.A.	141
Stanwood Corporation (see Delta Woodside Industries, Inc.)	34	Unifi, Inc.	142
State-O-Maine, Inc.	135	Uniland Mfg. Co., Inc. (see Lakeland Industries, Inc.)	88
Stephen Douglas, Ltd. (see Harvard Knitwear, Inc.)	70	Union Underwear Company, Inc. (see Fruit Of The Loom, Inc.)	56
Sterling Drug Inc. (see Eastman Kodak Company)	44	United Merchants and Manufacturers, Inc.	142
Stevoknit Fabrics Company (see Delta Woodside Industries, Inc.)	34	United Shirt Distributors, Inc. (see INTERCO Incorporated)	79
Stott & Smith Group Limited (see Coats Viyella Plc)	24	Unitex Limited	143
Strachan & Co. (see Illingworth, Morris PLC)	77	Universal Cottons (see Superior Surgical Mfg. Co., Inc.)	137
The Stride Rite Corporation	135	Universal Industries, Inc. (see Gemco National, Inc.)	60
Stuffed Shirt Inc. (see INTERCO Incorporated)	79	Univex, S.A. (45.9%-owned) (see Celanese Mexicana S.A.)	22
Suave Shoe Corporation	136	U.S.A. Classic, Inc. (see Orbit Instrument Corporation)	108
Superior Surgical Mfg. Co., Inc.	137	Value Slacks, Inc. (see Farah, Inc.)	49
Sutton Shirt Companies (see Russ Togs, Inc.)	121	Van Baalen Pacific Corp. (see State-O-Maine, Inc.)	135
Suzy Shier Inc. (50.1% owned) (see Dylex Limited)	42	Vanity Fair Mills, Inc. (see VF Corporation)	144
Swift Spinning Mills (see Fieldcrest Cannon Inc.)	52	Vantona Limited (see Coats Viyella Plc)	25
Swift Textiles, Inc. (see Dominion Textile, Inc.)	37	The Vera Companies (see Manhattan Industries, Inc.)	94
Sykes & Hebblethwaite (see Illingworth, Morris PLC)	77	Verbatim Corporation (see Eastman Kodak Company)	44
Syms Corp.	138		
T. Edwards (48.5% interest) (see Dylex Limited)	42		
T. Young & Son (Sailmakers) Limited (see Cosalt plc)	27		
Tapetex (see Seneca Foods Corporation)	128		
Target Apparel (see Dylex Limited)	42		
TechKnits, Inc.	138		
Texas Apparel Company (see Salant Corporation)	122		

Index of Divisions & Subsidiaries

	PAGE		PAGE
Veroc Technology A/S (Norway) (see Owens-Corning Fiberglas Corporation)	110	Wm. Yates (Textiles) Limited (see CoxMoore plc)	27
Vertex Sportswear, Inc. (see Texfi Industries, Inc.)	139	Woodside Mills, Inc. (see Delta Woodside Industries, Inc.)	34
VF Corporation	144	Woolcombers (Holdings) PLC (see Illingworth, Morris PLC)	76
Vita New Zealand Limited (see Feltex International Limited)	51	Work Wear Corporation, Inc.	149
Vitro-Fibras, S.A. (40% interest) (see Owens-Corning Fiberglas Corporation)	110	Worklon Uniforms (see Superior Surgical Mfg. Co., Inc.)	137
Volunteer Leather (see Genesco Inc.)	61	W.P. McCarter & Co., Ltd. (see Fruit Of The Loom, Inc.)	56
VV Household Textiles Limited (see Coats Viyella Plc)	25	W.R. Grace & Co.	64
W&J Knox Fibres Limited (see Cosalt plc)	27	Wrangler (see VF Corporation)	144
W. E. Yates Limited (see Illingworth, Morris PLC)	77	Wrexham A.R. Glass Ltd. (England) (see Owens-Corning Fiberglas Corporation)	110
W. Fein & Sons Ltd. (U.K.) (see Elders IXL Limited)	46	Yorke Shirt Co. (see Hartmarx Corporation)	69
W. Payne & Company, Ltd. (see Figgie International Inc.)	54		
Walter H. Mayer and Co., Inc. (see Lakeland Industries, Inc.)	88		
Walter W. Moyer Company, Inc. (see Gerber Products Company)	62		
The Warnaco Group, Inc.	145		
Wayn-Tex Inc. (see Dominion Textile, Inc.)	37		
Weather Tamer, Inc. (see Gerber Products Company)	62		
West Point-Pepperell, Inc.	146		
West Riding Worsted and Woollen Mills Limited (see Coats Viyella Plc)	25		
Western Synthetic Felt (see Instrument Systems Corporation)	78		
Weston Apparel Manufacturing (see Dylex Limited)	42		
The Wet Seal Inc. (see Dylex Limited)	42		
Whitlock Combing Co., Inc. (see The First Republic Corporation of America)	56		
Wickes Companies, Inc.	147		
Willcorp, Inc. (see Owens-Corning Fiberglas Corporation)	110		
The William Carter Company	147		
William Hollins & Company Limited (see Coats Viyella Plc)	24		
William Playne & Co. (see Illingworth, Morris PLC)	77		
William Smith & Co. (see Illingworth, Morris PLC)	76		
Willow Hosiery Company, Inc. (see Fuqua Industries, Inc.)	57		
Wimbeldon Shirt Company Limited (see Figgie International Inc.)	54		
Winconia Inc. (U.S.) (see CoxMoore plc)	27		
Winjak, Inc.	148		
Winston Carpet Corporation (see Salem Carpet Mills, Inc.)	123		
Winterbotham, Strachan & Playne, Limited (see Illingworth, Morris PLC)	77		